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FBIS-CHI-87-105

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BERLIN SUMMIT STAND ON CONVENTIONAL ARMS VIEWED

OW300740 Beijing XINHUA in English 0720 GMT 30 May 87

["News Analysis: Why No New Proposals on Conventional Forces From Berlin Summit? (by Yuan Rongsheng)" -- XINHUA headline]

[Text] Beijing, May 30 (XINHUA) -- It is to the surprise of almost everybody that the Warsaw Pact summit in Berlin did not produce any new concrete proposals on Europe's conventional forces to serve as a catalyst for a superpower accord on the elimination of Intermediate Nuclear Forces (INF) on the continent.

The Warsaw Pact's superiority over the North Atlantic Treaty Organization (NATO) in conventional forces in Europe has been the biggest fear in the West as the Soviet Union and the United States approach an INF agreement.

For months West European countries have been going all out to pressure the Soviet Union and its allies to take concrete steps, or make firm promises, to reduce the advantage in arms and troop strength held by the Warsaw Pact. Otherwise, they claim, Western Europe will be exposed to a dangerous imbalance in conventional forces -- estimated at 9 to 1 or 6 to 1 by NATO members -- after the superpowers pull their medium-range missiles off the continent. Europe's security would thus be weakened instead of being strengthened with an INF agreement, they say.

In face of Western fears, there had been hints from the Soviet side that the Berlin summit would act to correct this advantage in conventional forces. This greatly heightened hopes in the West that the Soviet Union would announce a unilateral partial withdrawal of its troops from Eastern Europe as a further compromise in exchange for early approval by West European countries of a superpower accord on medium-range missiles.

The West must be disappointed that the May 28-29 Berlin summit merely repeated a Warsaw Pact proposal made in Budapest in June last year that the Warsaw Pact and NATO cut their conventional armaments and forces by 25 percent by the early 1990s. As the first step, they should trim their troops by 100,000-150,000 men in the next one or two years, the Budapest proposal read.

But the West should not feel too frustrated by the absence of new proposals. The summit admitted officially for the first time that there is an imbalance in conventional forces in Europe and such an imbalance should be eliminated by reducing the advantage of the Warsaw Pact rather than increasing the strength of Western troops.

The failure of the Berlin summit to produce any new concrete proposal on conventional forces indicates that their strategy is to hammer out a firm superpower agreement on Euromissiles first.

A bird in hand is better than two in the bush. Introducing too many new factors into the process of negotiating an INF accord will only further complicate the issue and may make such an accord more difficult.

After all, the Soviet Union, along with its allies, has put forward many proposals and offered repeated compromises in order to reach an INF agreement. Their experience shows that one compromise from the East always invites more pressure from the West for further compromises. This time, the Warsaw Pact countries may have stopped this endless cycle and will now simply await an official reply from Western Europe to Moscow's "double zero" option.

LIAOWANG ARTICLE PREVIEWS VENICE SUMMIT TOPICS

OW310754 Beijing XINHUA in English 0734 GMT 31 May 87

[Text] Beijing, May 31 (XINHUA) -- Trade protectionism, world economic growth, debt and European nuclear disarmament are listed as the major topics of the Venice summit by a signed article in the June 1 issue of "OUTLOOK" magazine.

The economic summit, the 13th among the leaders of the United States, Britain, France, Federal Germany, Japan, Canada and Italy, will be held from June 8 to 10 in Venice, Italy.

Trade disputes will be the top priority, where the interests of the Western nations conflict, the article said.

It said trade frictions among the Western states lie in the trade imbalances and conflicts between the United States and Japan, the United States and Western Europe, and Japan and Western Europe.

From 1980 to 1986, the U.S. trade deficit with Japan soared from 12.2 billion dollars to 58.6 billion, and its trade with the common market dropped from a surplus of 19.2 billion to 26.4 billion in the red.

As "the heads of Japanese and Federal German Governments may announce further steps to spur their national economies and open domestic markets, they are expected to urge the U.S. Government to fight protectionism and cut its budget deficit," the article predicted.

"The seven countries may make some principle commitments at the summit... but obviously the disputes among the seven nations can not be solved through one or a few meetings," the article forecast.

The article said the crushing burden of foreign debt on developing countries not only seriously hampers development in developing countries, but also constricts the exports of Western nations.

The article noted that "although the seven Western nations have realized the danger, they have taken few significant and effective measures to tackle the debt crisis."

The debt incurred by developing countries accumulated to 1,035 billion dollars by the end of 1986 and is expected to reach 1,080 billion at the end of 1987.

At the summit, the leaders may also try to coordinate their positions on the U.S.-Soviet negotiations to eliminate medium and shorter-range missiles from Europe, the article said.

As the United States and Japan face some thorny internal and external problems, and Britain and Italy will hold general elections soon after the summit, it is more necessary for the leaders to show their coordination and solidarity, the article explained.

"Even if the summit fails to solve substantial issues, none of the leaders likes to go home empty-handed," it concluded.

U.S., VIETNAM FAIL TO AGREE ON VESSEY VISIT

OW301316 Beijing XINHUA in English 0946 GMT 30 May 87

[Text] Washington, May 29 (XINHUA) -- The recent U.S.-Vietnam talks in Hanoi on the issue of American servicemen missing in action (MIA) during the Vietnam war failed to make an agreement on the proposed visit to Hanoi by U.S. presidential envoy John Vessey, the State Department said today.

The talks were held from May 26 to 28.

At a news briefing, State Department spokesman Charles Redman said the U.S. delegation, headed by National Security Council member Richard Childress, discussed the agenda of the trip to Hanoi by retired General Vessey with the Vietnamese.

Vessey, former chairman of the Joint Chiefs of Staff, was appointed last fall by President Ronald Reagan as a special envoy on the issue of prisoners of war (POWs) and MIAs. Some 2,500 servicemen are listed by the United States as missing during the Vietnam war that ended in 1973.

Washington rejected Hanoi's efforts to link the MIA talks with negotiations to improve Vietnam-U.S. relations, because the MIA is a "humanitarian" issue, and that it is separate and should be resolved before other subjects are discussed. At the talks the two sides agreed that "the POW-MIA issue should be treated as a separate humanitarian issue despite other differences between our governments," the spokesman added.

No date has been set for further high-level meetings between the two countries.

ZHANG AIPING MEETS SCOWCROFT DELEGATION

OW301223 Beijing XINHUA in English 1158 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor and Defense Minister Zhang Aiping met with a delegation from the United Nations Association of the United States led by its Vice-President Brent Scowcroft here today in the Great Hall of the People.

CHEN MUHUA MEETS CHASE MANHATTAN CHAIRMAN

OW011002 Beijing XINHUA in English 0933 GMT 1 Jun 87

[Text] Beijing, June 1 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, met with Willard C. Butcher, chairman and chief executive officer of the Chase Manhattan Bank of the United States, and his party here this afternoon. They discussed the Sino-U.S. financial cooperation and the world economic situation.

Butcher told Chen that the international advisory committee of his bank plans to hold an annual meeting in Beijing next May aimed at increasing foreign entrepreneurs' understanding of China's economic development. Chen expressed her warm welcome for this.

KOMEITO LEADER YANO, DELEGATION ARRIVE IN BEIJING

Wang Zhen on Court Ruling

OW011327 Tokyo KYODO in English 1322 GMT 1 Jun 87

[Text] Beijing, June 1 KYODO -- Wang Zhen, honorary president of the China-Japan Friendship Association, Monday criticized a Japanese court ruling that awarded a Chinese student dormitory to Taiwan, saying it hampers development of bilateral relations.

Wang made the criticism in meeting with a delegation of Japan's second largest opposition party Komeito at the Great Hall of the People.

The delegation, led by Chairman Junya Yano, arrived here earlier in the day for talks with Chinese leaders including Deng Xiaoping and Premier Zhao Ziyang.

Wang said he is pleased that bilateral exchanges in various fields have been progressing since the two countries restored diplomatic relations 15 years ago.

"However," he said, "there are grave problems running counter to the spirits of the (1972) Japan-China joint communique and the (1978) Peace and Friendship Treaty, hampering development of bilateral relations."

Wang was referring to the Osaka District Court's decision in February which said the Kokorio Guanghua dormitory in the western Japan city of Kyoto belongs to Taiwan.

China is seeking the Japanese Government's help to settle the issue but it is rejecting the request, saying the administrative branch can have no say in judicial affairs under the separation of powers among three branches of government.

Yano said it is necessary for the Japanese Government to sincerely try to settle issue by sticking to the separation of powers in Japan.

Welcomed at Banquet

OW011442 Beijing XINHUA in English 1415 GMT 1 Jun 87

[Text] Beijing, June 1 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, today called for joint efforts from the two countries to remove obstacles to the healthy development of bilateral relations.

He was speaking at a dinner he gave for a delegation from the Japanese Komeito (Komei Party) led by the Chairman of its Central Executive Committee, Junya Yano, here this evening.

Wang said the friendly relations between the two countries have been relatively stable since the normalization of their diplomatic relations.

"But," he said, "there are still some problems. We hope to work together with our Japanese friends to remove the obstacles to continuous and healthy development of Sino-Japanese relations."

Wang, who is also vice-chairman of the Chinese Communist Party Central Advisory Commission, praised the leaders of the Komei Party for their contributions to realizing the normalization of relations between the two countries and promoting Sino-Japanese friendship.

Yano said the Japanese people firmly support the Sino-Japanese statement and the Sino-Japanese Peace and Friendship Treaty. They are opposed to the policy of "two Chinas" or "one China, one Taiwan," and they will never allow vicious militarism to be restored in Japan, he said, adding that no adverse current can stem the mighty torrent of the river that is Japan-China friendship.

Wang Zhaoguo, member of the Secretariat of the Chinese Communist Party Central Committee, was present on the occasion.

The Japanese visitors arrived here today as guests of the Chinese People's Association for Friendship With Foreign Countries.

PRC JOURNAL SAYS JAPAN VIOLATES TREATY WITH PRC

HK300328 Beijing XINHUA Hong Kong Service in Chinese 0048 GMT 30 May 87

[Text] Beijing, 30 May (XINHUA) -- Issue No 22 of LIAOWANG weekly, to be published on 1 June, carries an article by Tang Tianri [0781 1131 24380] entitled "The True Nature of the Kokorio [Guanghua] Issue." The article points out that the true nature and vital point of the Kokorio dormitory issue is certainly not, as Japan states, a case of "China failing to understand the Japanese structure of separation of three branches of power." It is a case of Japan violating the Sino-Japanese treaty and agreement and creating "two Chinas" by means of a court judgment.

The article points out that the Kokorio is a dormitory for Japanese students in Kyoto. It is Chinese property which was purchased by assets of the Chinese people after World War II. After the normalization of Sino-Japanese diplomatic relations, the Japanese Government was obliged to return the dormitory to the PRC in accordance with the Sino-Japanese joint statement, the Sino-Japanese Treaty of Peace and Friendship, and the principles of international law. The Chinese Government has made over 20 diplomatic representations to the Japanese Government regarding this matter since 1974, but the Japanese Government has never taken positive action. Now, a Japanese court has gone so far as to violate the Sino-Japanese statement, treaty, and agreement by publicly accepting and hearing a lawsuit brought by the Taiwan authorities in the name of the Government of "the Republic of China," and deciding in a first and second judgment that the Kokorio dormitory, China's state property, should be handed over to the Taiwan authorities.

The article points out that although the Chinese side has made repeated representations, the Japanese side has failed to take correct measures, under the pretext of "practicing the system of separation of the three powers." In fact, this reason given by the Japanese side does not have a leg to stand on, since it violates the Japanese Constitution and also the publicly-acknowledged principles of international law.

The article says that the Japanese Constitution stipulates that Japan practices separation of the administration, the judiciary, and the legislature, but it by no means confers on the Japanese judicial departments the power to deal with and pronounce judgment on matters involving foreign relations and international treaties. Article 73 of the Japanese Constitution stipulates that the power of "handling foreign relations" belongs to the cabinet. Article 98 also stipulates that the state organs "must honestly abide by treaties concluded by Japan and established international law."

As a part of the state organs, the Japanese judicial departments naturally have to abide by this provision of the Constitution. The Japanese constitutional expert Kobayashi has also acknowledged that according to the Japanese Constitution, the judicial departments have no power to pronounce judgment on matters involving foreign affairs, such as the disposition of territory and the results of such disposition, ordinary diplomatic activities, the formulation of treaties and their application, the recognition of states, and so on.

The article emphasizes that the Kokorio dormitory case is not an ordinary civil suit but a political issue related to whether or not Japan is adhering to the Sino-Japanese joint statement, the Sino-Japanese Treaty of Peace and Friendship, and the basic principles for bilateral relations between the two countries. For the Japanese judicial authorities, which according to the Japanese Constitution have no power to handle issues of this kind, to go so far as to repeatedly hear and pronounce judgment on this matter in an erroneous fashion is an open violation of a treaty signed between the Japanese Government and the government of another country and of the principles of international law. It is clearly evident that the Japanese Government, which is responsible for foreign relations, cannot shirk its responsibilities under the pretext of "separation of three powers."

The article goes on to say that separation of three powers is Japan's internal legal system. Problems that appear in Sino-Japanese relations can only be handled in accordance with the treaties and agreements between China and Japan and with the principles of international law and certainly cannot be dealt with as coming under the category of Japanese internal law. According to the principles of international law, a country cannot cite its internal law as a pretext for refusing to carry out the obligations to which it is committed under international treaties it has signed and under international law. This publicly-acknowledged principle of international law was explicitly stipulated in the "Draft Manifesto on State Powers and Obligations" adopted by the Fourth UN General Assembly in 1949 and the "Vienna Convention" of 1969. International law experts in Japan have pointed out that "the state cannot cite internal law as a reason for avoiding its international obligations. This is an incontestable principle of international law. An international responsibility arises if the state cannot abide by its international obligations owing to a conflict between international law and internal law."

The article stresses in conclusion that according to the Sino-Japanese statement and the Sino-Japanese Treaty of Peace and Friendship, Japan is responsible for the following international obligations: recognizing the PRC Government as the sole legal Government of China; and recognizing that Taiwan is an indivisible part of PRC territory. In hearing and pronouncing judgment on the Kokorio dormitory case, the Japanese judicial authorities have violated this treaty and agreement, and it is the unshirkable duty of the Japanese Government to correct this action.

JAPAN'S KURIHARA INSPECTS PRC ARMY TRAINING UNIT

OW020621 Tokyo KYODO in English 0606 GMT 2 Jun 87

[Text] Hangzhou, June 2 KYODO -- Japan's Defense Chief Yuko Kurihara and his party inspected a Chinese Army Air Force unit here Tuesday to witness air-to-ground support training flights around its base.

The director general of the Defense Agency made the inspection following his arrival earlier in the day from Chengdu, Sichuan Province in a special Chinese military plane.

Kurihara and his group have been in China since last Friday.

GU MU MEETS FORMER JAPANESE FOREIGN MINISTER

OW301210 Beijing XINHUA in English 1201 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Chinese State Councillor Gu Mu met here today former Japanese Foreign Minister Yoshio Sakurauchi, leader of a delegation from Japan's Association of International Musicians who are touring China.

Gu praised Sakurauchi for his long-term efforts in promoting Sino-Japanese friendship. "Generally speaking," Gu said, "the present friendly relations and cooperation between the two countries are good, though something unpleasant has occurred."

The state councillor said he believed that the problems could be solved because Sino-Japanese friendship is an irresistible historical trend.

"Things that harm the friendly relations and cooperation between the two countries will adversely affect peace in Asia and the world."

Sakurauchi said it is significant to have a Japanese delegation visit China and have extensive contact with Chinese people. He said he believed that the friendly atmosphere between the Japanese and Chinese people is conducive to the solution of the problems existing between the two countries.

The Japanese visitors came here as guests of the Chinese Ministry of Culture.

Attends Artists' Concert

OW302034 Beijing XINHUA in English 1452 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Japanese artists performed a revised version of Mozart's "The Magic Flute" here this evening at Tianqiao Theater.

The artists are members of the delegation from Japan's Association of International Musicians which came here for a performance tour at the invitation of the Chinese Ministry of Culture.

Among the audience were State Councillor Gu Mu and President of the China-Japan Friendship Association Sun Pinghua.

The group is scheduled to perform in Shanghai.

XI ZHONGXUN MEETS JAPANESE SOCIALIST DELEGATION

OW301208 Beijing XINHUA in English 1006 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today a group of Japanese researchers on socialism, led by Yuji Soga, president of Tokyo Society on Socialism and former deputy secretary general of Japan's Socialist Party.

Xi expressed satisfaction with the smooth development of friendly relations between the CPC and the Japanese Socialist Party since the two parties established relations four years ago.

Soga held that the friendly contacts between the two parties are expanding.

The delegation is here at the invitation of the International Liaison Department of the CPC Central Committee to learn about China's economic restructuring and make surveys in the ethnic minorities-inhabited Xinjiang Uygur Autonomous Region in northwest China.

MORE SOVIET TROOPS TO BE WITHDRAWN FROM MP?

OW010830 Beijing XINHUA in English 0757 GMT 1 Jun 87

[Text] Ulaanbaatar, June 1 (XINHUA) -- Local television and radio reports said Sunday night that more Soviet troops stationed in Mongolia would be withdrawn and a send-off gathering was held in the north-east Mongolian city of Choybalsan, Dornod Province.

However, the reports gave no details of how many troops would leave, nor to which service they belong.

On January 15, Moscow announced it would withdraw a division of motorized troops and some special technical units from Mongolia this year.

In April this year, an unspecified number of Soviet troops were reported to have been withdrawn from the provinces of East-Gobi and Selenge.

It was estimated that some 70,000 Soviet troops were stationed in Mongolia. These troops included two tank divisions and three motorized divisions.

IOC MEMBER IN DPRK TO DISCUSS COHOSTING OF GAMES

OW272340 Beijing XINHUA in English 1513 GMT 27 May 87

[Text] Pyongyang, May 27 (XINHUA) -- An official of the Olympic Committee of the Democratic People's Republic of Korea today confirmed that the delegation of the International Olympic Committee [IOC] would not travel to Seoul through Panmunjom.

The confirmation was made by Chang Ung, secretary general of the DPRK NOC [National Olympic Committee], at the airport when he met a two-man IOC delegation headed by Alexandru Siperco who flew here.

Siperco, a Romanian IOC member, told XINHUA that they had come here to pave way for the successful holding of the fourth meeting between the North and South sides of Korea in Lausanne July 14-15.

He said that the delegation would see the new sports facilities in Pyongyang and discuss with the DPRK Olympic Committee questions related to the cohosting of the 24th Olympic Games in 1988 by the two sides of Korea.

DENG MEETS SINGAPOREAN MINISTER, DISCUSSES LEFTISM

HK300548 Hong Kong TA KUNG PAO in Chinese 30 May 87 p 2

["Political Talk" column by Shi Jun-yu (2457 0689 3768): "Deng Xiaoping Again Raises the Question of 'Leftism'"]

[Text] 20 Years of Stagnation [subhead]

Yesterday, at a meeting with Goh Chok Tong, Singapore's first deputy prime minister, Deng Xiaoping said: "Because of the problem of 'leftism,' China wasted about 20 years between 1957 and 1978. Generally speaking, society was in a stagnant state although there was some development." What he said was said in earnest and gives one food for thought.

Since China's founding, 38 years have passed. Reforms have been carried out and an opening up policy implemented in the last 8 of these 38 years. However, in 20 of the previous 30 years, China was haunted by a "leftist" line and its population continued to grow in spite of economic stagnation. The people's annual per capita income then was 60 yuan and had remained so for about 20 years. Naturally, China's national income always remained below the poverty line by international standards.

Cannot Afford To Waste 20 Years [subhead]

Twenty years of stagnation. No country can afford to waste so much time. Since 1957, there were the antirightist struggle, the Great Leap Forward Movement, the Three Red Banners, the "Four Clean-Ups" Socialist Rural Education Movement, the campaign against rightist deviation, and the Cultural Revolution. This succession of political movements stressed class struggle until the final stage of the Cultural Revolution, when the national economy was on the verge of collapse. The people suffered immeasurably from political movements in these 20 years. The extreme "leftist" doctrine, the practice of "one person alone having the say" and issuing orders, the cult of the individual, are to blame for all this. It was at the 3d Plenary Session of its 11th Central Committee that the CPC was able to sum up the history of the country in the 30 years since its founding and resolved to set all wrongs to right, thus saving both the country and itself.

Holding Firm to a New Line After Drawing a Lesson From a Bitter Experience. [subhead]

Deng Xiaoping's account of the development of modern Chinese history in the presence of a Singapore friend and, in particular, of the road taken by New China since its founding, is a summary of the CPC's experience in building up the country. It has universal [pu bian] significance for other countries.

As a result of the practice in the 8 years since the 3d Plenary Session of the 11th CPC Central Committee, the country now adheres to the four cardinal principles and is persistently carrying out reforms and implementing the principle of opening the country to the world and revitalizing its domestic economy. The central authorities have repeatedly reiterated that China does not have another way out if it does not hold firm to the reforms and opening itself to the world. They have great confidence in all this because the line adopted since the 3d Plenary Session of the 11th CPC Central Committee has produced effects and is endorsed by Chinese at home and abroad. The principle of "one country, two systems" in particular has won international approval.

"Leftist" Viewpoints Disrupt the Reforms [XINHUA]

However, China is still a poverty-stricken country with a large population. The pernicious influence of "leftism" still remains in the minds of some party members and cadres and has yet to be eliminated. In the course of the reforms and opening itself to the world, China has inevitably run into various difficulties. This gives the die-hard dogmatists and holders of rigid views on the four cardinal principles an excuse to step in. Taking advantage of Hu Yaobang's resignation and the campaign against bourgeois liberalization, they one-sidedly stress the four cardinal principles in an attempt to use them to hinder the reforms and the implementation of the opening up policy. The "leftist" ideological tendency has partially revived. Last month, at a meeting with Spanish Deputy Prime Minister Alfonso Guerra, Deng Xiaoping pointed out that a "leftist" tendency in the party was jeopardizing China's economic reforms.

"Leftist" viewpoints must be disputed and corrected. The CPC is a large political party with more than 40 million members. Small wonder some of its members hold "leftist" views. However, one must realize that "leftist" viewpoints are not marketable today and are supported by few. What the people of the whole country want are bolder reforms and the implementation of the opening up policy at a quicker pace.

SRV LEADER EXPLAINS CHANGE IN USSR TIES

OW311546 Beijing XINHUA in English 1540 GMT 31 May 87

["Moscow To End Free Economic Aid to Hanoi" -- XINHUA headline]

[Text] Hanoi, May 31 (XINHUA) -- Vietnamese leader Nguyen Van Linh said last Thursday that "joint ventures" will play a major role in Soviet-Vietnamese economic relations rather than the Soviet Union's free economic aid to Vietnam, local newspaper reported today.

Briefing high-ranking Vietnamese officials here on his recent visit to the Soviet Union, the general secretary of the Vietnamese Communist Party said that the two sides had made the decision during his visit.

This was "an important turning point" that would allow his country to bring its manpower and resources into full play in a more extensive "international labor division," Nguyen said.

Local political analysts said that Nguyen's speech means an end to Moscow's free economic aid to Hanoi, except for military aid.

Referring to the Vietnam's foreign policy, he said that the Soviet leader Gorbachev "highly appreciated" the Vietnam's foreign policy and will continue to support the "cooperation" between Hanoi, Vientiane and Phnom Penh.

QIAO SHI ENDS NEPAL VISIT, SPEAKS AT AIRPORT

On Sino-Indian Border

OW011058 Beijing XINHUA in English 1040 GMT 1 Jun 87

[Text] Katmandu, June 1 (XINHUA) -- Chinese Vice-Premier Qiao Shi said here today that China hopes to solve the Sino-Indian boundary problem through peace talks.

He made the statement to the press at the airport here this morning upon his departure for Bangladesh, ending up his five-day goodwill visit to Nepal.

In answering a question raised by an Indian correspondent that the Indian media said that China intends to attack India, Qiao said, "It's rumor, sheer fabrication."

He said that there are some cases along the boundary. But they are exaggerated by the press reports.

"These cases were not created by China and they are not hoped by China," he added.

The vice-premier said, "We are ready to resolve the boundary questions through peaceful means with mutual understanding and mutual accommodation."

He told the pressmen that his visit to Nepal was "very successful."

He said that he got an impression during his meeting with King Birendra that the king attaches great importance to China-Nepal friendly relations.

He said that he had had talks with Prime Minister Marich Man Singh Shrestha and Foreign Minister Sailendra Kumar Upadhyaya on bilateral relations and mutual concerned matters.

Qiao said that he believes the friendship and the cooperation between the two countries would develop further.

Qiao Shi and his party had visited Burma prior to his Nepal tour. Bangladesh will be the last leg of his tour of three Asian countries.

Leaves for Bangladesh

OW011436 Beijing XINHUA Domestic Service in Chinese 1046 GMT 1 Jun 87

[Excerpts] Katmandu, 1 Jun (XINHUA) -- Chinese Vice Premier Qiao Shi left here by plane for Bangladesh this morning after satisfactorily winding up his 5-day official goodwill visit to Nepal.

During his visit to Nepal, Vice Premier Qiao Shi met separately with Nepalese King Birendra and Prime Minister Shrestha and had cordial and friendly conversations with them. [passage omitted]

In Nepal, Qiao Shi visited an irrigation project built with Chinese assistance and toured famous scenic spots and places of historical interest. He laid a wreath at the monument of martyrs.

Vice Premier Qiao Shi arrived in Nepal on the evening of 28 May at the invitation of the Nepalese Government after concluding his visit to Burma.

Arrives in Bangladesh

CW011104 Beijing XINHUA in English 1048 GMT 1 Jun 87

[Text] Dhaka, June 1 (XINHUA) -- Chinese Vice-Premier Qiao Shi arrived here this afternoon on a five-day official visit to Bangladesh.

This is his first visit to Bangladesh and the last leg of his current three Asian-country tour. Before coming here, he visited Nepal and Burma. He was received at Dhaka airport by Bangladesh deputy prime minister, concurrently home minister, M.A. Matin.

In a written statement issued at the airport on his arrival, Qiao Shi expressed his satisfaction over the all-round development in China-Bangladesh relations thanks to the joint efforts of the two governments and peoples while recalling a profound traditional friendship between the two peoples.

He said China attaches great importance to its friendly relations and cooperation with Bangladesh.

"I look forward to enhancing mutual understanding and friendship and promoting the further growth of our bilateral relations through contacts with Bangladesh leader[s] and public figures of various circles during this visit," he said.

Qiao Shi, during his visit, will call on President H.M. Ershad, Vice President A.K.M. Nurul Islam, Prime Minister Mizanur Rahman Chowdhury and deputy prime ministers as well as some ministers to discuss bilateral and international issues of common interest, officials here said.

Vice-Premier Qiao Shi and his 11-member entourage will also visit Bangladesh's largest seaport city of Chittagong.

HU QILI WELCOMES IVORY COAST PARTY DELEGATION

OW291328 Beijing XINHUA in English 1132 GMT 29 May 87

[Text] Beijing, May 29 (XINHUA) -- Hu Qili, member of the Political Bureau and Secretariat of the Chinese Communist Party (CPC) Central Committee, met here today a delegation from [the] Democratic Party of Cote d'Ivoire headed by Camille Alliali, minister of state and member of the Political Bureau Executive Committee.

On behalf of the CPC Central Committee Hu Qili expressed warm welcome to the delegation.

During the talks the two sides agreed that the visit of the delegation will strengthen the friendly cooperation between the two countries and two parties.

In the morning Zhu Liang, head of the International Liaison Department of the CPC Central Committee, held talks with the delegation. The two sides exchanged views on bilateral relations and issues of common concern.

The delegation is scheduled to leave tomorrow for other Chinese cities.

CPC, ZAMBIAN PARTY SIGN COOPERATION PROTOCOL

OW292326 Beijing XINHUA in English 1434 GMT 29 May 87

[Text] Lusaka, May 29 (XINHUA) -- The ruling United National Independence Party (UNIP) of Zambia and the Communist Party of China (CPC) signed here today a protocol on cooperation between the two parties.

Under the protocol, the two parties will exchange delegations on a reciprocal basis, exchange publications and other materials, [and] promote friendly relations and cooperation between mass organizations affiliated to the two parties.

The two sides will also send teaching staff and research workers to lecture at each other's party institutions or engage in study tours on chosen topics concerning party and national construction, and exchange views on matters of interest within the framework of international gatherings attended by delegations from the two parties.

After signing the protocol, both Chairman of the UNIP Rural Development Committee R.C. Kamanga and Chinese Ambassador to Zambia Gu Jiaji expressed the conviction that the new protocol will be conducive to the further consolidation and development of the friendly and bilateral relations existing between the two parties and two countries.

HU QILI MEETS SAO TOMEAN LIBERATION MOVEMENT HEAD

OW300957 Beijing XINHUA in English 0757 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Hu Qili, member of both the Political Bureau and the Secretariat of the Chinese Communist Party Central Committee, met and gave a luncheon here today for a delegation from the movement for the liberation of Sao Tome and Principe led by Leovigildo dos Santos Neto, administrative secretary of the Central Committee of the Movement.

POLAND'S JARUZELSKI COMMENTS ON ZHAO ZIYANG'S VISIT

OW020436 Beijing XINHUA Domestic Service in Chinese 0059 GMT 02 Jun 87

[Text] Warsaw, 1 Jun (XINHUA) -- During an audience with Chinese Ambassador to Poland Wang Jinqing today, W. Jaruzelski, first secretary of the Polish United Workers' Party and chairman of the Council of State of the Polish People's Republic, said that Poland is deeply satisfied with the development in Polish-Chinese ties in the past few years, and that he is looking forward to Comrade Zhao Ziyang's visit to Poland.

He said: Relations between Poland and China have taken a turn for the better, recording overall development since last year, relations between the two parties have been normalized, and political and economic ties are developing. He said: "We attach great importance to the friendly ties and cooperation with China. The contacts between our two parties should be strengthened, and there should be closer cooperation between social groups from the two countries." Bilateral ties in the economic sphere, which are the basis for cooperation, should reach an ever higher level, he said.

Jaruzelski indicated that he was deeply impressed by his visit to China last year. He said: China has achieved remarkable success in reform, and has taken a big step forward in a short time. Although our two countries are far apart, and their conditions differ, our reforms share many similarities. Our two countries should exchange experiences in reform.

Jaruzelski said that Comrade Zhao Ziyang's forthcoming visit to Poland was of great significance, and that he was looking forward to the visit.

Meets With Journalists

OW020735 Beijing XINHUA in English 0542 GMT 2 Jun 87

[Text] Warsaw, June 1 (XINHUA) -- Polish leader Wojciech Jaruzelski said today he is looking forward "with great interest" to the meeting with Chinese Premier Zhao Ziyang who begins a five-day visit to Poland Thursday.

In a meeting with Chinese journalists, Jaruzelski said Poland considers Zhao's visit important. "I am very glad, and looking forward with great interest to the meeting with Comrade Zhao Ziyang," he said.

Zhao, who is also acting general secretary of the Chinese Communist Party, will visit Poland June 4-8.

Jaruzelski said in bilateral relations, regular personal contacts at top levels would help promote Polish-Chinese mutual understanding and cooperation.

The Polish leader said Zhao's visit would help achieve the prospect of Poland and China coming closer to each other. He believed that increased cooperation between Poland and China in relaxing international tensions and fostering equitable cooperation among nations will contribute greatly to world peace, progress and socialism.

Jaruzelski urged all countries, big or small, to play an active role in stopping the arms race in view of the current dangerous situation.

CHANGES IN CEMA'S COOPERATION STRUCTURE EXAMINED

HK290926 Beijing RENMIN RIBAO in Chinese 27 May 87 p 7

[Article by Ye Jun (0673 6511): "Changes in CEMA's Cooperation Structure Are Imminent"]

[Text] The current cooperation structure of CEMA was basically formed in the early 1950's. It was suitable for the highly concentrated economic management system at that time. However, with the development of economic affairs and science and technology, especially the gradual development of reform of the economic structure in the Soviet Union and East European countries in recent years, the original cooperation structure of CEMA is becoming more and more unsuitable for the new situation and new demands. Therefore, most member states feel that it is necessary to "make a change of the entire cooperation structure of CEMA."

The CEMA countries hold that the first reason reform of the cooperation structure is becoming more and more urgent today is that the current form of science and technological cooperation cannot suit their demands for speeding up the development of science and technology. Since the 1970's, science and technology have been developing rapidly and new products and new techniques have been constantly emerging in Western countries. They have moved far ahead in many fields. At present, judging from the general science and technological level, the CEMA countries are almost 15 to 20 years behind Western countries. For this reason, the CEMA countries are feeling great pressure. Speeding up science and technological development and changing the current situation has become their common aim. Therefore, in December 1985, CEMA adopted a "comprehensive program for science and technological cooperation of CEMA countries," proposing that the labor productivity of CEMA countries should at least be doubled by the end of this century. However, in the past year or so, the implementation of the "program" has been "unsatisfactory." A main reason is that the current cooperation structure does not suit the strategic task of accelerating economic development of various member states. Therefore, while forcefully grasping science and technological development and reform of the economic structure, the CEMA countries have set a high demand on CEMA cooperation.

At the same time, most CEMA countries hold that at present, due to overlapping organizations and low work efficiency, many problems cannot be settled within CEMA. These defects have, to a rather great extent, affected the initiative of various member states and hindered moves toward merging into an organic whole. At the 27th CPSU National Congress, Gorbachev pointed out: "The activities of CEMA itself also need to be changed," and "we should reduce administrative measures and various committees and pay more attention to the economic lever." The Soviet Union holds that it is necessary to adopt new and "more flexible, more courageous, and more effective forms of cooperation." Ceausescu, secretary general of the Romanian Communist Party, emphasized that reform should be carried out within CEMA and that it is necessary to discard some old practices and old things and adopt a new form of cooperation. Czechoslovak leaders held a key problem is to reestablish and continuously perfect the mechanism for cooperation and uniformity of CEMA. The current mechanism has not only fallen behind the demand for intensive development in certain fields, but has also fallen behind the idea of establishing a new pattern of uniformity which was put forth in the early 1970's. Poland proposed that in order to improve the results of cooperation within CEMA, it is necessary to abolish the bureaucratic system in this organization, carry out real economic principles and economic accounting, and modernize the cooperation structure.

From this we can see that adopting a new form of cooperation is a common demand of various CEMA members. Under such circumstances, CEMA members held a summit conference last year to discuss and study problems concerning the structural reform and to determine the general orientation of the reform. This includes: Strengthening direct contacts between various CEMA members by reducing intermediate links; reducing administrative interference and strengthening the role of economic levers; increasing the results of cooperation and enhancing the vitality of mechanisms; and changing as quickly as possible the past cooperation of the CEMA members chiefly based on trade relations into one that is chiefly based on direct cooperation in production. The 42d regular meeting held after the summit conference further emphasized the importance of "direct contacts." It decided to start immediately establishing joint ventures based on economic accounting. At present, direct contacts have been established among more than 4,000 enterprises and units of the CEMA member states.

While improving the form of cooperation, the CEMA member states are also making efforts to improve the irrational price and monetary systems in their cooperation.

Moreover, CEMA is also making positive efforts to strengthen its external economic relations and enter the international market so that it can establish more contacts with the outside world. Recently, comparatively great progress has been achieved in the talks between CEMA and the EEC.

Now CEMA is changing its form of cooperation, but generally speaking, it is still in the initial stage. Some measures have just been brought into effect, while many others are just being deliberated or drafted. Since the situation varies from one country to another and since there are too many long-standing problems in the old structure, the reform will be a long and complicated one and its tasks will be very arduous.

CHEN MUHUA MEETS HUNGARIAN INSURANCE OFFICIALS

OW220856 Beijing XINHUA in English 0757 GMT 22 May 87

[Text] Beijing, May 22 (XINHUA) -- Chen Muhua, state councillor and governor of the People's Bank of China, met here today Koroly Bard, Hungarian insurance commissioner, and Ms. Andrea Deak, general manager of the Hungarian State Insurance Company.

The visitors arrived May 18 at the invitation of the People's Insurance Company of China.

WAN LI WELCOMES HUNGARIAN SPORTS DELEGATION

OW281228 Beijing XINHUA in English 1213 GMT 28 May 87

[Text] Beijing, May 28 (XINHUA) -- Chinese Vice Premier Wan Li said here today China and Hungary should strengthen their sports exchange.

The remark was made in his meeting with the Hungarian sports delegation headed by Gabor Deak, secretary of state and director of the Hungarian Youth and Sports Bureau.

"Hungary is a strong sports nation, so is China in Asia," Wan Li said. "China is strong in table tennis and badminton, but its overall sports level is not as high as that of European countries."

Earlier today, China and Hungary signed an annual sports exchange protocol for 1987, under which the two countries will exchange teams in gymnastics, waterpolo, athletics, weightlifting, wrestling, fencing and table tennis.

The Hungarian sports delegation is scheduled to leave for home tomorrow.

DENG LIQUN GREETES HUNGARIAN PARTY DELEGATION

OW301241 Beijing XINHUA in English 1159 GMT 30 May 87

[Text] Beijing, May 30 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met here this afternoon a delegation from the Department of Propaganda and Agitation of the Hungarian Socialist Workers' Party Central Committee led by Erno Lakatos, head of the department.

Deng briefed the guests on China's propaganda work in reform and in carrying out the policy of opening to the outside world.

The delegation arrived here May 27 at the invitation of the Propaganda Department of the CPC Central Committee. Following their arrival, the Hungarian visitors exchanged experience[s] with Wang Renzhi, head of the Propaganda Department of the CPC Central Committee.

TIAN JIYUN VISITS YUGOSLAV ECONOMIC EXHIBITION

OW010824 Beijing XINHUA in English 0742 GMT 1 Jun 87

[Text] Beijing, June 1 (XINHUA) -- Tian Jiyun, vice-premier of the State Council, today visited a Yugoslav economic exhibition, which opened here on May 25.

Tian Jiyun spoke highly of the achievements scored by the Yugoslav people in their socialist construction. He told Yugoslav Ambassador to China Zvone Dragan that the exhibition will help acquaint the Chinese people with the Yugoslav products and technology and promote bilateral economic and technical cooperation.

It is learned that the two countries have undertaken more than 90 cooperative industrial projects in the past few years and that the bilateral two-way trade volume is expected to reach over 500 million U.S. dollars this year, doubling the figure for the previous year.

The eight-day exhibition, which is expected to close here today, has received about 80,000 visitors.

CSSR PLANNING COMMISSION ENDS PRC VISIT

LD300440 Bratislava Domestic Service in Slovak 0500 GMT 29 May 87

[Text] Vladimir Janza, minister-deputy chairman of the State Planning Commission, ended his visit to the country and left for home. During his stay in Beijing, Guangzhou, and Shanghai he held talks about possible concrete forms of Czechoslovak-Chinese economic cooperation and possible direct cooperation of the enterprises of the two countries. He also prepared a document about long-term cooperation between the PRC and CSSR planning bodies.

LI PENG, GU MU MEET WITH MEXICAN DELEGATION

OW291212 Beijing XINHUA in English 1020 GMT 29 May 87

[Text] Beijing, May 29 (XINHUA) -- Chinese Vice-premier Li Peng met an economic and planning delegation from Mexico led by Carlos Salinas de Gortari, personal envoy of the Mexican president and secretary of planning and federal budget, here this afternoon.

Chinese State Councillor Gu Mu also met the delegation earlier today.

CHILEAN NAVY TRAINING SHIP ENDS SHANGHAI VISIT

OW230920 Beijing XINHUA in English 0822 GMT 23 May 87

[Text] Shanghai, May 23 (XINHUA) -- The "Esmeralda", a Chilean Navy training vessel wound up its a week-long visit to China and left this morning.

The "Esmeralda" first visited China in 1972, and arrived again in Shanghai, May 17. Chilean officers and soldiers were entertained by local Chinese Navy units and greeted by municipal leaders the evening they arrived.

On May 21, Chilean Ambassador to China Patricio Martinez Moena held a reception in celebration of the Chilean Navy Day and to mark the "Esmeralda's" visit to China.

During their stay in China, the Chilean guests visited the naval fleet of the Chinese Liberation Army stationed in Shanghai, a jade carving factory, a carpet factory, and paid their respects at the Shanghai Cemetery of Revolutionary Martyrs. The officers and crewmembers also made a side-trip to Hangzhou.

SONG PING APPOINTED ORGANIZATION DEPARTMENT HEAD

HK020241 Hong Kong WEN WEI PO in Chinese 2 Jun 87 p 1

[Report: "Song Ping in Charge of Central Organization Department"]

[Text] Beijing, 1 Jun -- The CPC Central Committee has formally issued a circular stating that Song Ping, former chairman of the State Planning Commission, has been transferred to the post of director of the Organization Department of the CPC Central Committee. The former director of that department, Wei Jianxing, is transferred to head the Ministry of Supervision. In addition, Yao Yilin has been appointed acting director of the State Planning Commission.

RENMIN RIBAO URGES GOOD REGULAR PARTY BUILDING

HK010935 Beijing RENMIN RIBAO in Chinese 31 May 87 p 1

[Editorial: "Get an Earnest and Good Grasp of Regular Party Building"]

[Text] The 3 and 1/2-year party rectification work is a major affair that has focused the attention of people inside and outside the party. The recent national party rectification summation conference has made an all-round summation of this major affair and announced that this party rectification has been basically concluded. Evaluating the achievements and problems in this party rectification by seeking truth from facts, seriously summing up the experiences and lessons, and gaining a clear idea on the guiding ideas and demands for strengthening party building in the new period are of great significance for consolidating and developing the fruits of party rectification and continuing to press ahead with party building.

This party rectification was a major step, taken by the party under new historical conditions, in strengthening its own building. It was a successful practice in carrying out all-round rectification of the party's ideology, work style, discipline, and organization, and was done without organizing a "campaign." It is very important to unify the understanding of the whole party regarding this rectification, by making an all-round summation. We should realize that, following party rectification, the whole party has progressed in ideology, work style, discipline, and organization; there has been an improvement in the serious impurities in ideology, work style, and organization and in slack discipline; a number of important experiences have been accumulated in the correct handling of contradictions and problems within the party; and the whole party has further deepened its understanding of the line of building socialism with Chinese characteristics since the 3d Plenary Session of the 11th CPC Central Committee, and has further enhanced awareness of implementing the party's principles and policies. In short, this party rectification has yielded relatively marked success. However, party building is also a process of development, and we cannot accomplish the whole task at one stroke. We should soberly realize that there are also many shortcomings and problems in this party rectification, and that the work has developed unevenly. Many localities, departments, and units have done relatively well in party rectification and scored relatively marked success. There are also quite a number of units that have not accomplished the four basic tasks of party rectification in an all-round way, and some have even done the work in a superficial way. There are also many leftover problems in party style and in other respects in units that have done relatively well in party rectification. All these problems need to be continually resolved in regular party building and rectification in the future. [paragraph continues]

Comrade Zhao Ziyang said at the national party rectification summation conference, "I completely agree with the basic evaluation on party rectification work given by Comrade Bo Yibo in his report 'On Basic Summation of Party Rectification and Further Strengthening Party Building.' Despite interference and shortcomings, success has been the main feature of the 3 and more years' party rectification. Now that party rectification has been basically concluded, in the future we should shift to regular party building." "The main task in future party building is to ensure the implementation of the line since the 3d Plenary Session of the 11th CPC Central Committee." This constitutes support and encouragement for the comrades who have been undertaking party rectification work in the past 3 and more years, and it also points out the guiding idea for future party building. In accordance with the spirit of this party rectification summation conference, we should affirm the achievements of party rectification in a truth-seeking and appropriate way, clearly perceive the existing problems, sum up the experiences and lessons, and take this as a new start for getting an earnest and good grasp of regular party building.

In a certain sense, the demands on regular party building are higher than on party rectification done in a concentrated period of time, and the task is even more arduous; it cannot be taken lightly. In order to enhance party building, we must uphold the principle that the party must govern itself well; we must strengthen the party's ideological and theoretical building, and improve the party members' political quality; we must get a good grasp of building the party's work style, and bring closer the relationship between the party and the masses; and we must also continually strengthen the building of the leadership groups at all levels, and put on a sound basis the building of the party's organization and systems. The objective of all this is to boost the party's combat strength and ensure the better implementation of the line since the 3d Plenary Session of the 11th CPC Central Committee.

Hence, to do a good job in regular party building, it is first necessary to profoundly understand that the line since the 3d Plenary Session of the 11th CPC Central Committee is a line of building socialism with Chinese characteristics and of accomplishing China's socialist modernization. This line has two basic points: One is adherence to the four cardinal principles; and the other is adherence to the general principle and policy of reform, opening up, and invigoration. In building the party it is essential to ensure these two basic points, continually overcome and eliminate erroneous tendencies of applying bourgeois liberalization or ossification in viewing the two basic points, and teach the party members to understand and implement in an all-round and correct way the line since the 3d Plenary Session of the 11th CPC Central Committee. This is the guiding idea for our party in carrying out construction in all respects in the new historical period. Second, it is necessary to have a clear understanding of the objective environment and conditions for party building. Our party building today is being carried out not in a wartime but in a peaceful environment when there is "no threat from enemy states"; it is being carried out not under conditions of "taking class struggle as the key link" but in a situation in which economic construction is the core task; it is being carried out not against a background of being closed to the world but one of reform and opening up. This determines that in our party building we must both carry forward the fine traditions of the past and also create new characteristics suited to today's conditions. As the ruling party, we no longer suffer the external pressure formed in an environment of cruel struggle, but we similarly demand that the party still possess the powerful motive force of waging heroic struggle for its ideals, as in the past. In particular, in the process of replacing old systems with new, we are certain to encounter all kinds of complex problems which are bound to pose new demands on party building. In conditions of opening up both externally and internationally, the influence of decadent capitalist ideology will inevitably penetrate, and we still need to create experiences in how to resist corrosion in the course of construction and reform.

In this party rectification, we have groped for some experiences in successful party building in the new historical conditions, but these are far from perfect and are very far from meeting the requirements of developments. In stepping up party building now, many comrades are facing the problem of "old methods do not work and new ones cannot be learned." Of course we cannot apply again the old methods used in "campaigns" in the past, nor can we adopt the negative attitude of feeling quite helpless. It is right to say that there are many new problems to be resolved in party building today; and it is wrong to say that there is no way of resolving them or that only old methods can be copied. The road of party building in the new historical conditions is wider, not narrower, and the key lies in eliminating "leftist" and rightist influences, further emancipating our minds, broadening our vision, keeping in touch with reality, and devoting all our attention to exploration. By taking such an approach, we will certainly be able to gradually coordinate the entire process of construction and reform with party work, the party's own building and reforms, democratic and public supervision, the building of the legal system, penetrating and meticulous ideological education, and all other work, and treat the whole matter in a comprehensive way, thereby embarking on a new road of relying on reforms and the building of systems instead of on mass movements, and truly building our party into a strong core leading the cause of socialist modernization.

BO YIBO REPORT WINDS UP PARTY RECTIFICATION

OW311230 Beijing XINHUA Domestic Service in Chinese 0722 GMT 31 May 87

[Text] Beijing, 31 May (XINHUA) -- Title: A Basic Summary of Party Rectification and the Further Strengthening of Party Building

(26 May 1987)

[By] Bo Yibo

Comrades:

The nationwide party rectification has basically concluded after running a course of 3 and 1/2 years. To realistically assess this party rectification -- fully affirming its success and earnestly pointing out its shortcomings -- is of great importance for achieving unity in the understanding of all party members and confidently continuing to promote party building.

On behalf of the Central Commission for Guiding Party Rectification [CCGPR], I will now deliver a report: "A Basic Summary of Party Rectification and the Further Strengthening of Party Building."

To The Process and Basic Evaluation of Party Rectification [subhead]

Party rectification was conducted when our country and society were in a new historical environment marked by reform, openness to the outside world, and invigoration of the domestic economy after experiencing the decade-long grave disaster of internal disorder. Under the guidance of erroneous "leftist" theory, especially the perverse acts of the Lin Biao and Jiang Qing counterrevolutionary cliques, the party's ideology, work style, discipline, and organization were damaged on an unprecedented scale, its fine tradition and ranks of cadres seriously persecuted, and its previous high prestige among the masses gravely undermined during the "Cultural Revolution."

Through the efforts to eliminate chaos and restore order after the 3d Plenary Session of the 11th CPC Central Committee, the situation was, by and large, improved. However, problems of serious impurities in the party's ideology, work style, and organization, and of lax discipline, that were left over from the "Cultural Revolution," remained rather prominent. With the shift in focus of the work of the party and the state, the unfolding of the socialist modernization drive, adherence to the four cardinal principles and the fight against bourgeois liberalization, and the implementation of the policies of reform, opening to the outside world, and invigorating the economy, which have greatly revitalized the cause of the party and the people, the national and social life as a whole was experiencing dynamic and penetrating changes never seen before and new circumstances and problems were continuously emerging. To conduct party rectification under such historical circumstances would inevitably arouse great expectations from the people inside and outside the party, as well as encounter many problems that could have been anticipated before the start. All this determined the difficulty and complexity of the party rectification, which would not be smooth sailing. Any historical problem should be observed under a given historical environment. This is a basic requirement of Marxism. While summing up the party rectification work, we should proceed according to this requirement. In order to obtain a more realistic conclusion, achievements, problems, experience, and lessons in party rectification should be analyzed and evaluated in light of the stated general historical environment.

Party rectification was actually carried out in three stages. The first stage was the rectification of the leading bodies at the central level and the party organizations of the various ministries, departments, and commissions; at the provincial, autonomous regional, and municipal levels; and of all major PLA units. The second stage was the rectification of party organizations at the prefectural and county levels. The third stage was mainly the rectification of party organizations of districts, townships, and villages in rural areas. Party rectification in these three stages was in general conducted in accordance with the four basic tasks and basic principles and policies mapped out by the party Central Committee in its decision on party rectification, while various party rectification units placed emphasis on different key problems to be solved in light of the actual situation in each unit and in line with the requirements of the situation in party rectification as well as in construction and reform. During the first stage, in order to strengthen leadership, the CCGPR and the Central Military Commission dispatched 90 party rectification liaison work groups consisting of 850 persons, and set up party rectification guidance groups for 10 central and state departments. In the course of rectification, the CCGPR issued a total of 11 circulars and other documents, which embodied the spirit of the Central Committee decision and played an important role in guiding party rectification in the first and the subsequent stages. When the second stage of party rectification began, the CCGPR issued a special circular focusing on the situation of some unhealthy trends emerging at that time within the party and in society that had seriously hampered the implementation of the reform and the four modernizations drive and greatly corroded the organization of the party and the contingent of cadres. The circular clearly pointed out that it is imperative to emphasize the following aspects in party rectification at the prefectural and the county levels: We must strengthen the party members' party spirit and correct the burgeoning unhealthy trends in order to ensure the smooth implementation of the reform and to promote healthy development of political and economic conditions. As the third stage of party rectification started, the CCGPR also immediately issued a special circular on the overall planning for the requirements, methods, and procedures of party rectification in rural villages. A total of 630,000 public speakers and liaison men were sent by the provinces, prefectures, and cities to rural villages to help them carry out party rectification.

In order to further clarify the fundamental guiding ideology of rural party rectification, the CCGPR held party rectification work seminars of provincial, prefectural, and city party secretaries in May and June of 1985 in different places, calling for actual actions to solve the problem of abuse of power for personal gain and serious violations of law and discipline and to enhance the leadership in rural villages. These meetings played an important leading role in promoting party rectification work in rural areas. Since the beginning of this year, under the leadership of the party Central Committee, we have launched a struggle within the party to oppose bourgeois liberalization mainly in the political-ideological field by positively educating the vast number of party members about the idea of upholding the four cardinal principles and basically solving the problems in political orientation and principles. We should fully understand the extreme importance of this struggle. From the aspect of party construction, it should be considered supplementary to party rectification. The three stages, which constitute the whole process of party rectification, are closely related and facilitate each other; that is, the experiences of and lessons drawn from the previous stage enlighten the latter stage, while the problems reflected in the latter stage give the party rectification units of the previous stage some insights in order to solve them. This characteristic of "the previous enlightening the latter, the latter improving the previous" strongly indicates that the principle of carrying out party rectification from the party's central organs down to the grass-roots units in different stages at different times is correct.

By reviewing the whole process and various aspects of party rectification, the CCGPR maintained that party rectification was fruitful. In many localities, departments, and units, the achievements were more notable. Moreover, party rectification work improved stage by stage, the party organizations and party rectification offices at all levels did a great deal to further this cause, the vast number of party members and cadres vigorously participated in party rectification and, the vast masses and friends outside the party passionately supported it. Generally speaking, the whole party has made progress in ideology, work style, discipline, and organization in comparison with the prerectification period. Changes for the better have been made in removing the serious impurities in ideology, work style, and organization within the party. At the same time, some important experiences have been accumulated for correctly handling problems within the party. All these have paved the way for further strengthening and expediting party construction in the new era. However, the development of the work of party rectification has been uneven. A relatively large number of units, including leading party and government organs at high and medium levels, have not fulfilled all four of the fundamental tasks of party rectification. Some have even carried out the tasks perfunctorily, thus damaging the reputation of the work of party rectification among the masses. Even in those units that have performed relatively well in party rectification, there are still quite a few problems left unresolved with regard to party style and in other aspects. Continued efforts should be made to resolve these problems in the constant work of building and consolidating the party in the days to come. This is the overall evaluation of the work of party rectification.

Concrete achievements in unifying thinking are mainly as follows: 1) Through diligent and systematic study of the party rectification documents, all party members, from senior cadres to ordinary members, have clarified some confused ideas; deepened their understanding of the line on building socialism with Chinese characteristics pursued by the party since the 3d Plenary Session of its 11th Central Committee; clearly identified the implementation of the policies of making reforms, opening to the outside world, and invigorating the economy and the development of a socialist planned commodity economy as the only way to build a strong, prosperous, democratic, and civilized socialist country; and further raised their awareness in carrying out these Marxist principles and policies.

2) Through conducting education in thoroughly negating the "Cultural Revolution," the large number of party members have come to clearly understand that both factions in the "Cultural Revolution" carried out their activities under the guidance of "leftist" theories of "taking class struggle as the key link" and of "continuing revolution under the dictatorship of the proletariat" and that they were both erroneous overall, thus facilitating further elimination of factionalism and the pernicious "leftist" influence and laying more solid ideological and political foundations for enhancing party unity and inspiring party members' innovative spirit. 3) Through conducting education about party spirit, ideals, and goals, some party members and party member-cadres have overcome their weak sense of communist ideals and dedication to the people, while ordinary party members have increased their ideological consciousness and capability to resist the inroads of decadent capitalist and feudal ideas.

A prominent shortcoming existing in the effort to achieve unity in thinking is that while striving to eliminate erroneous "leftist" influences, we failed to pay due attention to and wage an effective struggle against the erroneous right-leaning tendency already in existence and to earnestly conduct education in upholding the four cardinal principles, resulting in the continued growth of the ideology of bourgeois liberalization among some party member-cadres and party members, which has seriously impeded the comprehensive fulfillment of the task of achieving unity in thinking.

Achievements in rectifying work style are mainly as follows: 1) By earnestly investigating and handling a number of cases involving serious violations of law and discipline, power abuse, and irresponsible bureaucracy by party member-cadres and party members, all localities have basically stopped such new unhealthy tendencies as setting up businesses or enterprises by party and government functionaries, and have improved the party's work style to varying degrees. 2) As a result of improvement in work style by leading bodies at various levels, bureaucratic practice has been weakened and the idea of serving the grass roots reinforced, and party members and leading cadres of many localities and departments have taken the lead to go deep into the grassroots to conduct investigative studies and solve practical problems in construction, reform, and the people's everyday life, thus bringing a closer relationship between the party and the masses. 3) Most rural units straightened out their financial work during party rectification, and party members and cadres set good examples in returning long overdue public funds and property, and were cheered by the masses of peasants for their concrete service.

However, we should soberly note the existence of many serious problems and negative aspects in the party's work style. Due to various "connection networks," factional remnants, pernicious feudal influence, and interference by people who replace the law with their speeches, some serious problems of power abuse and violation of law and discipline to the detriment of the party's work style and image have not been brought to light. Some, although already exposed, have not been duly investigated and handled. A considerable number of units have failed to touch problems regarding unhealthy tendencies in organizational and personnel work.

The results achieved in enhancing discipline and purifying the party organization are mainly the following: 1) To weed out the "three types of persons" of the "Cultural Revolution" and people who have committed serious mistakes, the party organizations at all levels, coupled with comrades participating in party rectification, did a great deal of investigation and verification through overcoming various difficulties and obstacles with great efforts. On the basis of having ferreted out 400,000 people in the prerectification period, China (not including Guangxi Zhuang Autonomous Region) has weeded out another 5,449 of the "three types of persons" and 43,074 of those who committed serious mistakes.

During the course of party rectification, Guangxi spent a period of time especially to "handle questions left over by the 'Cultural Revolution,'" and ferreted out 27,919 of those who severely violated law and discipline (among them 6,042 cadres) and 13,154 of those who committed severe errors of violating law and discipline. 2) Some paralyzed or semiparalyzed party organizations have changed for the better since the concept of organization and discipline was strengthened among the party members by promoting criticism and self-criticism and restoring and carrying forward the tradition of austere organizational life within the party. 3) As for the unqualified party members and those with serious problems, they have been handled through registration of party members and organizational measures. Some 33,896 have been expelled from the party; 90,069 have not been allowed to register as party members; the party membership of 145,456 has been held for postponed registration; and 184,071 have received various party disciplinary punishments such as being placed on probation within the party, removed from posts within the party, recommended for removal from posts held in organizations outside the party, or given warnings and severe warnings. 4) Some readjustments have been made in a number of weak and lax leading bodies with problems, and more than half of the leading bodies at and above county level have been strengthened to various degrees. The leading bodies have been shaken up in various aspects through readjustments and strengthening. Therefore, a group of outstanding middle-aged and young party members with strong party spirit and with an honest and upright work style, who are capable of leading the masses to firmly carry out the current party policies, have gradually entered the leading posts at all levels.

Problems existing in the rectification of discipline and organization are mainly as follows: A considerable number of units have failed to attach sufficient importance, or have not attached importance at all, to the work of reinforcing discipline and have not rectified their lax discipline. The problem of weak and lax leading bodies, including those of some high and middle-level party and government organizations, has not yet been solved. In registering party membership and implementing organizational measures, quite a few units have failed to strictly carry out the work according to the party Central Committee's decision; in particular, some localities, departments, and units have failed to do a penetrating job in ferreting out the "three types of persons" and people who committed serious mistakes, and as a result of their lenient attitude, some of the "three types of persons" have remained at large or have not been properly handled, which is detrimental to maintaining the party's vanguard role and purity and to consolidating and developing political stability and unity.

The unsatisfactory results and existence of many problems and shortcomings in party rectification, aside from the restrictions of the above complexity, should be attributed to errors by individual leading comrades in guiding rectification work. The errors are mainly in the following three areas: 1) The calls for "following a correct guiding ideology in administrative work" and for "promoting the economic work with party rectification and evaluating rectification with the economic work" were, on their own, correct in the basic spirit. Under the new situation brought about by reform, openness to the outside world, and invigoration of the economy, all trades and professions should follow a correct guiding ideology in their work. One of the most important purposes of the party rectification is, needless to say, to promote the development of the economy. The problem is that under the circumstances that the party Central Committee's decision had already clearly defined the tasks in achieving unity in thinking in party rectification, the call for "following a correct guiding ideology in administrative work" and an undue emphasis on it would inevitably lead to the substitution of the call for other tasks in achieving unity in thinking.

Under the circumstances that the party Central Committee's decision had already laid down the criteria for evaluating the party rectification, the call for "evaluating the rectification with economic work" would inevitably result in the substitution of the call for the five criteria for evaluating the rectification. Therefore, these calls were incompatible with the requirements set in the party Central Committee's decision. Moreover, the lopsidedness in the guiding ideology of the calls, stressing only the need to combat "leftist" and not rightist ideas, encouraged some departments and units to substitute economic work for party rectification, and paved the way for a widespread rightist ideological trend and an overextended economy. 2) The work to ferret out the "three types of persons" was not given due attention. Although the party Central Committee's decision clearly defined the work as the key to purifying the organization, the work was rarely emphasized, and was basically ignored or sidelined. The glaring shortcoming in the work to ferret out the "three types of persons" could not but be attributed to such a guiding ideology and attitude. 3) As far as party rectification is concerned, some leaders were content with issuing documents and calls in general, and very seldom reviewed their implementation, regarding their task as completed once the documents were distributed. Such a work style had an unhealthy influence on leading cadres at lower levels. The central authorities and other leading comrades noticed these errors long ago, and expressed their disapproval of and tried to correct them. In July 1985, the CCGPR issued a circular urging party committees at all levels to organize party members to diligently study six important speeches by Comrades Deng Xiaoping and Chen Yun, and clearly calling for building socialist material and spiritual civilization simultaneously and forbidding the practice of bourgeois liberalization. In CCGPR party rectification work meetings, and in speeches by leading comrades of the CCGPR, repeatedly stressed was the necessity of combating both "leftist" and rightist tendencies, upholding the four cardinal principles, and giving prominence to education in party spirit; the necessity of earnestly rectifying the party's work style and strictly enforcing party discipline; the necessity of seriously ferreting out the "three types of persons" to eradicate hidden perils; and the necessity of continuously strengthening investigation, study, and concrete guidance in party rectification work in order to comprehensively fulfill the rectification tasks. These meetings and speeches played an important role in minimizing the effects and damage done by the above errors and in ensuring that party rectification work as a whole would progress according to the correct arrangements mapped out by the party Central Committee. Obviously, the achievements of party rectification have been won through the arduous efforts of comrades of the whole party and after overcoming difficulties and interference. We must cherish and carry forward the achievements, which have not come easily.

II. The Principal Experiences and Lessons [subhead]

The overall party rectification this time constituted an important practice in strengthening party building in the new period. It provided us with a valuable experience and taught us a profound lesson.

In the course of carrying out party rectification this time, we did not raise a hue and cry; nor did we develop a "mass movement." We successfully avoided adhering to the "leftist" practices which held sway in the various political movements in the past. In carrying out party rectification during the past 3 and 1/2 years, we always paid attention to educating the broad masses of party members with positive examples, and placed emphasis on helping them raise their ideological and political qualities.

At the same time, we always stressed the significance in carrying forward democracy and following the mass line, and encouraged and guided the party members and those cadres with party membership to study hard how to correctly handle contradictions within the party under the new historical conditions. All this assured and helped us solve some of the major problems that existed in our party when we carried out party rectification this time. On the other hand, we did not leave behind many aftereffects of the maladies or create a chaotic situation in society like what we experienced in some of the political movements in the past. In dealing with problems arising from one's thinking and awareness, we adhered to the principle of education and guidance. In correcting erroneous ideas among the party members, we mainly adopted the method of arousing their consciousness and enthusiastically helping them make corrections, while implementing the policy of "not using the big stick, not putting labels on people, not seizing on others' faults, and not framing people." In solving the problem arising from misunderstanding and disunity among cadres with party membership, we adopted the form of holding heart-to-heart talks. In handling those party members who harmed the party's interests and posed serious problems, we based our work on facts, party discipline, and state laws, and worked hard to draw conclusions and hand down decisions that would withstand the tests of history. We persistently sought to solve problems that only existed within the party, and refrained from punishing friends and the masses outside the party. Practice had proven that all these methods in handling contradictions within the party were correct and effective. The erroneous "leftist" tendencies had prevailed as long as 20 years from the late 1950's, when they first started, to the "Cultural Revolution," during which they were dominant. Their pernicious influences were widespread. It was really not an easy task in conducting party rectification this time for us to effectively guard against and avoid the "leftist" practice of raising a hue and a cry -- a practice we had often carried out in the past.

In carrying out party rectification this time, we always paid attention to correctly handling the relations between the work of party rectification on the one hand, and reform and economic work on the other. Generally speaking, we achieved the goal of combining the two and having them promote each other. During the several party rectification campaigns in the past, the work of party rectification often affected and interfered with economic work and the development of work in other fields, because we had failed to handle well the relations between the two. We followed this historical lesson as we conducted party rectification this time. In carrying out the work of party rectification at all levels, we persistently implemented the basic guiding ideology of having party rectification promote reform and economy; paid attention to the actual situation in carrying out reform and doing economic work; and tried to meet the requirements in reform and in developing the economy. By rectifying the party's ideology, work style, discipline, and organization, we created conditions, removed obstacles, and gave impetus to reform and the development of the economy. Some negative phenomena which had cropped up with the development of economic construction and the in-depth reform -- such as new unhealthy tendencies, "placing money above all," and the ideological trend of bourgeois liberalization -- had created new problems for the work of party rectification. In light of these phenomena, we paid even greater attention to strengthening education among party members about party spirit, party style, and party discipline, as well as education about the basic theories of Marxism, when we carried out party rectification. Raising party members' awareness and increasing their efforts in opposing and resisting the various decadent ideas and unhealthy trends fully guaranteed the healthy development of reform and economy ideologically and politically. This was also an extremely important experience. It will be of great significance in guiding us in carrying out party rectification and strengthening party building for a long time.

Our practice in conducting party rectification proves that whether a locality, department, or unit is doing a good job in carrying out party rectification and attaining good results depends mainly on whether the ideological and political line followed by its leading body, especially the principal responsible persons, is correct; whether their guiding ideologies are well defined; whether their work style is really up to standard; whether they can set good examples; and whether they can implement correctly and in an overall manner the various tasks laid down by the decision of the CPC Central Committee on party rectification. Facts in the first stage of party rectification fully proved this point. Central and local high-level leading organs participated in this stage of party rectification. Originally they were supposed to set a fine example for the whole party to accomplish the four basic tasks in party rectification. However, under the influence of overemphasizing the need to "correct their guiding ideologies," the leaders of many departments and units were unable to fully understand and have a firm grip on the basic requirements put forward by the decision on party rectification. Also, they lacked consciousness in playing their exemplary role well. As a result, they exerted a great deal of effort in discussing the specific targets and plans for development of the economic and professional work in their own departments and units, while relaxing their efforts in and even neglecting to a great extent the need to carry out rectification in ideology, work style, discipline, and organization. They were unable to play their due exemplary role in helping their subordinate units conduct party rectification. During the later period of the first-stage party rectification, several new unhealthy tendencies emerged. Such tendencies became rapidly widespread and were not promptly curbed. We should realize that this inability to curb such tendencies was closely related to the aforementioned situation. This was an extremely profound lesson in party rectification. Naturally, during the first-stage party rectification, many units conducted party rectification well or fairly well. For example, high-level leading organs in the Army stood in the forefront in conducting party rectification. They attained marked results because they had a clear-cut guiding ideology and exercised their leadership efficiently. If all the units that participated in the first-stage party rectification had been able to truly set good examples in fulfilling the four tasks of party rectification in an overall manner, we should have been able to score even greater achievements in accomplishing the entire task of party rectification.

Our practice in conducting party rectification also proved that we must proceed from reality at all times, combat the "leftist" tendencies whenever they prevail, oppose the rightist tendencies whenever they prevail, and persistently wage struggles on the two battlefronts.

The decision of the CPC Central Committee on party rectification clearly points out: "There are now two erroneous tendencies in the party. One is that a number of party members and cadres who have not yet freed themselves from the shackles of past 'leftist' ideas distort the four cardinal principles and assume a resistant attitude toward the party line, principles, and basic policies adopted since the 3d Plenary Session of the 11th CPC Central Committee. Some even feign compliance while covertly opposing the party's line, principles, and policies, or openly refuse to carry them out. The other tendency is that some party members and cadres who have failed to stand the test of historical setbacks and succumbed to the corrosive influence of bourgeois ideology; doubt and negate the four cardinal principles; deviate from the party's line, principles, and basic policies adopted since the 3d Plenary Session of the 11th CPC Central Committee; and propagate bourgeois liberalization. These erroneous 'leftist' and rightist tendencies are incompatible with the character and program and historic mission of the party." It also pointed out: "It is essential to resolutely change the state of flabbiness in ideological-political work; correctly and willingly carry out the line, principles, and policies of the party Central Committee; and resolutely resist and overcome the influence of erroneous 'leftist' and rightist tendencies."

On behalf of the party Central Committee, Comrade Deng Xiaoping distinctly pointed out at the 2d Plenary Session of the 12th CPC Central Committee that we must not have spiritual pollution on the ideological front. He also sharply pointed out: "Many comrades have taken a one-sided approach in summing up historical lessons and have held that ideological struggle and handling things in a strict manner mean 'left'; hence they only raise the question of opposing 'leftism', and do not mention the question of opposing rightist tendencies. In this way, they have gone to the other extreme of being weak and slack." The decision on party rectification and Comrade Deng Xiaoping's talk both accorded with the actual situation and were perfectly correct. The essence of Marxism-Leninism-Mao Zedong Thought is to seek truth from facts, and the primary requirement of material dialectics is to observe and handle problems from all sides. In handling problems of erroneous "leftist" and rightist tendencies, we must also proceed in the spirit of seeking truth from facts and look at these problems from all sides. We must firmly oppose "left" if there is "left" and firmly oppose right if there is right. We must not emphasize one thing at the expense of another and must never do things at will in a subjective manner. Overlooking either erroneous tendency will make it impossible for us to maintain national and social stability and will bring us great harm. The complications of the struggle to oppose spiritual pollution are clear proof. Opposing spiritual pollution is to oppose erroneous rightist tendencies and bourgeois liberalization, and it is an important part and task of the party's ideological rectification. However, some individual leading comrades have not implemented the decision of the party Central Committee and have been unwilling to come around from the extreme of being weak and slack. Accordingly, the struggle to oppose spiritual pollution was quickly cut short soon after the beginning of party rectification. They protected the activities of and connived with those who advocated bourgeois liberalization. As a result, this erroneous ideology became more and more serious and finally caused the so-called "campus upheaval" by a small number of students who created trouble. It directly endangered social stability and unity. This was another bitter lesson in the course of the party rectification. In a recent meeting with Alfonso Guerra, undersecretary general of the Spanish Socialist Workers Party and deputy prime minister of the Spanish Government, Comrade Deng Xiaoping said: "The past 8 to 9 years since the 3d Plenary Session of the 11th CPC Central Committee have proven that we have been successful, but we cannot say there has been no interference. It is not easy to correct 'leftist' ideology which has lasted several decades. We must primarily oppose the 'left.' There is 'leftist' inertia in society. Currently, there are only a few people in China who oppose reform. However, when we formulate specific policies and implement them, forces of habit will arise because these forces are reluctant to give up things of the past. The general situation is good. At the same time, there is the rightist stuff, which is 'total Westernization.' It holds the banner of supporting the open policy and reform and wants to lead China in practicing capitalism and total Westernization. Not long ago, some students created trouble and their trend was exactly 'total Westernization'." "This trend does not truly support reform and the open policy but seeks to change the nature of our society. If China practices total Westernization and capitalism, we definitely cannot realize the four modernizations." Comrade Zhao Ziyang made a similar brilliant exposition in light of the current actual situation when he delivered a speech at a meeting attended by cadres of propaganda, theory, news, and party schools. He said: "The positive education on opposing bourgeois liberalization must be deepened and we must also publicize socialist reform. We must attach importance to both and must not do one thing and neglect another." Regarding these important expositions, the broad masses of cadres with party membership and other party members must penetratingly understand and grasp their essence. Both "left" and right erroneous tendencies are in violation of the four cardinal principles and the policies of reform, opening to the outside world and invigorating the domestic economy.

The four cardinal principles are the foundations for establishing and running our country. Reform, opening to the outside world, and invigorating the domestic economy are the general principles and policies for our building socialist modernization and are the correct application and new development of the four cardinal principles in the new period. They are the two basic points for our party in implementing the line of building socialism with Chinese characteristics. They are in unison and are closely related and mutually dependent; not a single one can be dispensed with. If the four cardinal principles are not adhered to, reform, the open policy, and invigorating the domestic economy will surely slide into bourgeois liberalization and not achieve success. On the other hand, if we do not carry out the policies of reform, opening to the outside world, and invigorating the domestic economy, the four cardinal principles will lose their vitality of integrating with practice and cannot be firmly upheld. Therefore, we must understand that we must persist in carrying out the struggle against the "left" if there is "left" and against the right if there are right erroneous tendencies. Only in this way can we maintain the unity of these two basic points, ensure their implementation, and guarantee and promote the building of the party and the healthy development of socialist modernization.

III. Continue To Push Party Building Forward on the Basis of Party Rectification [subhead]

Party building, like party-led revolution and construction, is a long historical process. Every period has its particular tasks and problems. The resolution of the problems also goes through a process of development. New problems will arise after old problems are resolved. Thus, party building cannot be accomplished in one stroke. At the same time, problem-solving in party building takes a variety of forms. Party rectification -- comprehensive rectification carried out intensively for a given period -- is a very necessary and important form. However, it is, after all, only one of many forms. It is unrealistic to expect that all the problems within the party will be solved in the course of a single party rectification campaign. This cannot be done. Our party is the core force leading Chinese people of all nationalities and guiding their socialist cause. It is, as it is normally called, the ruling political party of our country. Party cadres at all levels, especially leading cadres, have various kinds of power, and to varying degrees. Whether these kinds of power are correctly exercised in a way that truly reflects the people's will and interests; whether the ideological, ethical, scientific, and education standards of the ranks of our cadres are constantly raised; and whether party policy decisions are made scientifically without major blunders directly affect the destiny of our state, nation, and people. We must conform to the trend of our times and demands for all-round progress in society. We must constantly seek to gain experience and strengthen party building to make the CPC forever remain a party that seeks no personal gain, honestly performs its tasks, appoints people on merit, and wholeheartedly serves the people. The general task of party building in the new period is to build the party into a strong core capable of advancing socialist modernization along the path of sound development and winning victory. This, of course, cannot be achieved in a short time. Party rectification over the past 3 and 1/2 years has only made a good start in this respect. A host of major issues still confront party building -- issues such as reforming the party's leadership structure, developing inner-party democracy, correctly implementing democratic centralism, strengthening oversight over party leaders, strengthening the party's ideological education and its leadership over ideological and political work, improving party style, and perfecting the party's cadre system and various other systems that urgently need to be studied and tackled. Therefore, after party rectification concludes, party organizations at all levels must never slacken off, but must continue to resolve problems not yet tackled or completely resolved.

They must earnestly bring about a transition from concentrated party rectification to party building on a regular basis. At the same time they must always closely observe the party's line of building socialism with Chinese characteristics and its two essential points -- upholding the four cardinal principles and implementing the policies of reform, opening to the outside world, and invigorating the domestic economy -- in conducting the various work of party building, and strive to push party building forward. On the basis of our experience in party building over the past 3 and 1/2 years, a five-point proposal for further strengthening party building in the new period is presented here:

1. Adhere to the principle of the party running its own affairs and earnestly bring about the separation of the party from the government.

Since the focus of our party and government work was shifted to socialist modernization centering on economic construction, there has been an urgent need to earnestly strengthen and improve party leadership in light of the new situation and to fundamentally change the conditions characterized by failure to make a distinction between the party and the government, substitution of the party for the government, and failure of the party to run its own affairs. The practice of party rectification once again shows that unless party committees at all levels and their principal responsible comrades resolutely free themselves from specific economic work and administrative affairs, the abnormal conditions of the party failing to run its own affairs cannot be changed; party building cannot be strengthened; and reform, opening, and economic construction cannot be carried out. Party cadres at all levels must understand that it is a misunderstanding and an incorrect view to think that, since economic construction is the state's central task, a party committee should also focus its attention on studying and handling concrete economic matters because this is the way to strengthen party leadership. Our party exercises its leadership over the state and social affairs mainly through its leadership over ideology and politics and over major principles and policies (including economic policies). The very nature of this kind of leadership determines the separation of the party's functions from that of the government, and each is responsible for its own duties. In principle, a party committee is responsible for concentrating its energies on formulating and implementing the party's line, principles and policies (including all major policy decisions concerning economic and social development); on party work in the political and ideological fields; on party organization, cadre work, and propaganda work; and on the work of bringing the role of party members as the vanguard and model into play, ensuring that these are all done well. Only in this way can we really strengthen and improve party leadership. Of course, the party Central Committee, the local party committees, and the primary party committees do not have entirely identical tasks or cover the same work scope. But, whatever the differences, party committees at all levels should, without exception and in everything they do, implement the principle that a party organization should be concerned about party affairs. In the future, we should make it a clear rule to assess the competence of a unit's party committee mainly on the basis of the following two points: One is to see how well it has implemented the party's fine line, principles, and policies; the second is to see how much attention it has paid to party building in ideology, work style, discipline, and organization and to building the leading body. Any principal leading cadre of a party committee who pays no attention to party work, is soft and slack in leadership, and is guilty of serious malfeasance, and who has not changed despite efforts to educate him, should be transferred without hesitation from the leadership post in the party committee.

2. Promote party building in ideology and theory and strive to raise the political quality of party members.

Still being at an early stage of socialism, China is faced with a complicated situation and a multitude of problems. We have no ready-made formula nor accrued experience to guide us in carrying out economic and social development. The only way for us is to explore through practice and advance while exploring. This makes it mandatory for all comrades in the entire party, particularly responsible cadres handling actual work in various fields, to vigorously display the spirit of a courageous pioneer; always persist in closely combining basic Marxist principles with concrete practice in the socialist modernization drive; and use the Marxist stand, viewpoints, and methods to analyze constantly emerging new problems, sum up constantly accrued experiences, and carry out summation and formulation of new theories. Practice of party rectification has also fully attested to the fact that the more the policies of reform, opening to the outside world, and invigorating the domestic economy are deeply implemented, the more necessary it becomes for us to intensify the study of Marxist theories and scientific and cultural knowledge and step up the party's work in the political and ideological fields. Otherwise, it will be impossible to enable the masses of party members to be keenly aware of and effectively resist the erroneous tendencies of the "left" and right and keep firmly to a correct political orientation and to enhance their ability to adapt themselves to and carry out the socialist modernization drive. There are now many new members in the party, and a large number of new cadres have assumed various leading posts. Most of them lack an understanding of Marxist theory and do not have basic knowledge about the party and its fine traditions. Under these circumstances, it is all the more necessary to see that a central link in party ideological building is to raise the theoretical level and ideological and political quality of party members and cadres who are party members so as to increase their ability to resist the corrosive influence of decadent ideas and unhealthy tendencies. Currently, concentrated efforts should be made in the following three respects: First, in close combination with the reality of the struggle to adhere to the four cardinal principles and oppose bourgeois liberalization and with the reality of the implementation of the policies of reform, opening to the outside world, and invigorating the domestic economy, party schools at the central, provincial, autonomous regional, and municipal levels should do their utmost to carry out the day-to-day training of senior and middle-ranking leading cadres in various ways. By making them study the required readings including important Marxist [words indistinct] works and party documents, it will enable them to understand and have a relatively systematic knowledge of the basic principles of Marxism and the basic content of the drive to build socialism with Chinese characteristics, thereby enhancing their ability to raise their perceptual knowledge and practical experience to the level of theory and strengthening their capability to stand firm politically and to be principled, systematic, farsighted and creative in work. At the same time, periodic examinations should be carried out to determine the level of their understanding with regard to theory and policy and use the examination results as a basis to determine whether they are competent in their jobs. Second, it is necessary to apply the successful experiences we have gained in educating party members during party rectification to continue their ideological and theoretical education. Stress should be placed on helping them to acquire basic knowledge of the party and to study the important works of Mao Zedong, Deng Xiaoping, and other comrades and some major decisions of the party. They may spend some time in doing such study once or twice a year, and this should be institutionalized. It is necessary to do this because this will enable party members to enhance their understanding of the party's history of struggle and its fine traditions and to play an exemplary role in construction and reform. Third, efforts should be made at both the central and local levels to train a contingent of theorists capable of applying the stands, viewpoints, and methods of Marxism-Leninism-Mao Zedong Thought to solve China's practical problems in construction and reform. This contingent should have young and middle-aged theorists as its mainstay, and it should also take in some old cadres with rich practical experiences and appropriate

theoretical standards. It is essential to discover, accurately select, and conscientiously train young and middle-aged theorists in order to ensure the continuous improvement of the quality of theorists.

Each theorist must uphold the four cardinal principles and the party's new [xin di 2450 4104] policies and at the same time be very enthusiastic about reform, opening to the outside world, and invigorating the economy. He must have theoretical achievements and the ability to engage in theoretical studies. At the same time, he must have a strong desire to carry out construction and reform as well as the style of integrating theory with practice. Through continuing study, a theorist with such qualities can certainly integrate the basic principles of Marxism with the actual conditions of the country or his locality, give accurate answers to major questions of common concern, help the masses correctly and profoundly understand the party's principles and policies, and provide a theoretical basis for the party's major policy decisions. Party propaganda and other relevant departments should take on the task of organizing and training theorists and carry it out effectively.

3. Close attention should be paid to developing a fine party style and strengthening the party's ties with the masses.

The development of a fine party style is a very salient question in party building. It is necessary to persistently educate party members to conscientiously develop the party's fine style of integrating theory with practice, maintaining close ties with the masses, and practicing criticism and self-criticism; to keep firmly in mind the party's basic aim of serving the people wholeheartedly; to be the first to bear hardships and the last to enjoy comforts; to wage arduous struggle and build up the country through thrift and hard work; to sacrifice their personal interests for the interests of the party and the people; and to conscientiously resist and resolutely rectify various unhealthy trends. In particular, leading cadres who are party members should take the lead in setting an example for the masses inside and outside the party to follow in work style. Currently, and for some time to come, it is necessary to continue to rectify ultraindividualistic, liberal, and other unhealthy trends, such as taking advantage of one's power to seek personal gain, bureaucracy, and scrambling for power, fame, or wealth, and to regard this as an important aspect in the development of a fine party style. Resolute efforts should be made to break through "the network of personal connections" and "the winds of favoritism." Persons and things that have seriously harmed the interests of the state and the people must be severely investigated and dealt with according to party discipline and state laws. It is necessary to ensure, in accordance with provisions of the party Constitution, that party discipline inspection departments can fully exercise their functions and independently and responsibly investigate various cases of violating party discipline. No one is allowed to abuse one's power to interfere with or obstruct such investigations, and violators shall be punished severely without mercy. Old comrades with rich experience in party work and still in good health who now stay at the second or third line, when necessary, may be organized to serve as inspectors for central or local discipline inspection departments. Through inspection, they can discover and report problems and responsibly put forward their views on how to handle such problems in order to help maintain the solemnity of party discipline and promote a further turn for the better in party style.

4. Conform to the demands of the new situation and new tasks and constantly strengthen the building of the leading bodies at all level.

During party rectification, a lot of work was done to readjust and build the leading bodies at all levels. However, the actual conditions in various localities and departments show that the political-ideological and work standards of a considerable number of the members of the leading bodies cannot meet the demands of the heavy responsibility of construction and reform.

Therefore, after the conclusion of party rectification it is necessary to continue to keep a firm grip on the work of further strengthening, raising, and if necessary, readjusting leading bodies at various levels. Principal responsible comrades of the party committees at various levels must personally attend to this task. The key to successfully building leading bodies lies in choosing truly qualified persons for the leading bodies. The one and only correct principle is the principle of choosing persons who have both ability and political integrity, and the one and only guideline is the guideline of making the leading bodies more revolutionary, younger in average age, better educated, and professionally more competent. Among candidates' qualifications, "political integrity" and "more revolutionary" come first. In this respect, the practice and experience of the previous years and the current party rectification tell us that we must uphold three standards: 1) People must faithfully implement the party's current policies. The line, principles, and policies laid down since the 3d Plenary Session of the 11th CPC Central Committee are living Marxism with Chinese characteristics. 2) They must be those who did well, made no serious mistakes, and were not the "three types of persons" during the "Great Cultural Revolution." 3) They must be strong in party spirit, justice-minded, and honest. They must be those who refuse to form a small group or to promote their personal power, who select people on their merits and refrain from engaging in nepotism, and who are good at uniting and working with other comrades. In addition to observing these three standards meeting the requirements of being more revolutionary, in selecting and promoting cadres it is also necessary to pay greater attention to their practical work and understand whether they truly achieve anything in their work. The people will not be satisfied with those who do not achieve anything in their work post over an indefinite period. Such cadres cannot be allowed to enter the leading bodies. This is a point that should never be ignored. On the question of making the leading bodies younger in average age and more professionally competent, it is necessary to prevent and correct various one-sided approaches. Making the leading bodies younger in average age does not mean the younger the leading bodies, the better they are. We must not demand uniformity in age. Leading bodies at all levels must uphold the principle of echelon structure. There should be some outstanding cadres in their fifties among leading members. Facts have shown that in the succession of the new to the old, these cadres are a very important force that forms a link between the preceding and the following and plays the role of stabilizing the leadership. Making the leading bodies more professionally competent on no account means that a diploma is what counts. The primary emphasis is on the actual grasp and use of knowledge, which includes knowledge gained from practice, experience, and organization ability, as well as knowledge gained from books. It is necessary to reform cadres selection and promotion methods. The method of involving both the leadership and the masses should be adopted. It is necessary to gradually advance toward open recommendation, election, and evaluation of cadres by the masses. The "three types of persons" and people who made serious mistakes should be resolutely purged if they are found in leading bodies. With regard to those people who are incompetent in their work as well as those who either have not done any actual work except making empty talk, accomplishing nothing in their work, or are seriously afflicted with a benign and uncontentious attitude, indifferent to matters of principle, it is also necessary to transfer them from the leadership posts. Only by doing so can a leading body ensure its leadership quality and raise its leadership level and its prestige among the people.

5) Perfect party building organizationally and systematically and further enhance the party's fighting power.

Every cadre who is a party member and every party member must act in accordance with the various provisions in the party Constitution and the "Several Criteria on Inner-Party Political Life" when carrying out his work and other activities.

We should fully develop inner-party democracy and strictly enforce the party's organizational life. This is an effective way to temper party members and cadres who are party members further in party spirit, promote education among them, and step up control and supervision over them. This also represents an important assurance that the party's sense of organization and discipline and fighting power can be strengthened. The key to organizational building lies in a real effort to perfect and practice the party's democratic centralism. All matters of importance must be decided by way of collective discussion. The democratic voting system of one man, one vote should be adopted by the Political Bureau of the CPC Central Committee and all other party organizations at various levels when discussing and making major policy decisions that have a bearing on the whole situation. This is of great significance in making sure the policy decision is correct and in avoiding the phenomenon where what one individual says or what a few individuals say counts. We must by no means go in for formalism and practice democratic centralism and collective leadership in name only. We must resolutely oppose any action that runs counter to and undermines democratic centralism and the principle of collective leadership. We must act strictly in accordance with the system of holding periodic organization life meetings and periodic democratic life meetings of the leading body to seriously carry out criticism and self-criticism and expose and solve problems within the party in a timely manner. Leading cadres of the party at all levels must take part in organization life in the capacity of a common party member. No existence of a special party member is permitted within the party. Leading party cadres should take the lead in carrying forward a democratic style of work; really respect and safeguard the democratic rights of party members, particularly the democratic right to influence and participate in the making of policy decisions; actively foster democratic concepts among party members; and be fully attentive to their criticisms, ideas, and proposals. A thorough investigation should be carried out and stern measures taken against any person or incident involving the suppression of or deliberate retaliation against criticisms. Competent party cadres should be appointed to the positions of secretaries of party committees so that the party committee can really play an important role in supervising, educating and controlling party members and party member-cadres. Each party branch should periodically make arrangements for party members' party-related work so they will develop an exemplary role in study, production, work, and social activities. In absorbing new party members, it is imperative to strictly follow the principle of meeting the standards, ensuring quality, improving the composition of the membership, and proceeding in a prudent manner. In addition to improving the party's organization and work system, it is also necessary to make great efforts to improve the party's cadre system. In regard to this point, Comrade Deng Xiaoping has repeatedly made important instructions. In his article "On the Reform of the System of Party and State Leadership," he clearly pointed out. In order to abolish the life-long tenure of leading cadres, "what is essential is to improve the systems of election, recruitment, appointment, removal, assessment, impeachment, and rotation of cadres and, in light of specific conditions, to work out appropriate and explicit regulations for the terms of office and retirement of leading cadres of all categories and at all levels (including those elected, appointed, or invited)." He also said: "There must be a system of mass supervision so that the masses at large and the party rank and file can supervise the cadres, especially the leading cadres." "Regulations must be worked out governing the scope of powers attached to particular posts and the political seniority and material benefits of cadres at all levels. Here, the most important thing is to have definite organizations to exercise impartial supervision." Some of those important systems put forward by Comrade Deng Xiaoping have been formulated or are being formulated, but there are still many things yet to be studied and formulated. The party's organizational and other departments must organize special forces to hasten this task. We must not delay this work.

For instance, in supervising the party's cadres, especially the senior leading cadres, we must have a strict and concrete system with the integration of the higher and lower levels and people inside and outside the party. Otherwise some people can easily make arbitrary decisions and take peremptory actions, divorced from collective leadership, divorced from the masses, and even go to the wrong side. Historical lessons and the actual situation have fully explained this point. Moreover, systems for cadres' reward and punishment, exchange, rotation and withdrawal must also be formulated and implemented as quickly as possible. Although our past mistakes of various kinds were related to the ideology and work style of some leaders, the issue of the system is more important. The issue of the system has a fundamental, overall, stabilizing, and prolonged nature. If we have a good system, everyone will be restrained by the system and things will be done in accordance with the system. In this way, our party's building and our building of socialist modernization can certainly develop in a healthy manner and achieve success after success.

LOCAL LEADERS DISCUSS PARTY RECTIFICATION

0W310948 Beijing XINHUA Domestic Service in Chinese 1126 GMT 29 May 87

[By RENMIN RIBAO reporter Wu Xuelin and XINHUA reporter Zhou Changnian]

[Text] Beijing, 29 May (XINHUA) -- The national conference to review the results of party rectification has broken up into group discussion for several days. Under the same roof, secretaries and deputy secretaries of various provincial, regional, and municipal party committees; leading members of party groups or party committees of central departments; as well as military authorities concerned have expressed their views freely and enthusiastically while earnestly discussing Bo Yibo's report, "Basic Summary of Party Rectification and Further Strengthening Party Building," and discussed Comrade Zhao Ziyang's speech at the conference. Fully confident of their ability to consolidate and develop the results achieved in party rectification and to continue to expedite party building, the attendees are determined to add to their achievements, correct their shortcomings, and earnestly build the party into an even better one during the new period.

Reviewing the process of party rectification, the attendees, most of whom are leaders or actual participants in party rectification from various parts of the country or departments, universally supported Bo Yibo's and Zhao Ziyang's appraisal of party rectification. Rui Xingwen, secretary of the Shanghai municipal party committee said: "Thanks to party rectification, the lines adopted since the 3d Plenary Session of the 11th CPC Central Committee are more deeply rooted in people's minds. The significant results achieved in implementing the party's lines, principles, and policies over the past several years have everything to do with party rectification. This is one big success achieved in party rectification. Party conduct has also improved, and the party's prestige is higher. Seventy percent of the deputies elected at grass-roots people's congresses in Shanghai this year are party members." Xing Chongzhi, secretary of the Hebei provincial party committee, said: "Some cadres in Hebei used to be very conservative and rigid in thinking. Unable to understand the need to reform, open to the outside world, and enliven the domestic economy, they could not keep pace with development. Since they were very critical and were difficult to deal with, the lines adopted since the 3d Plenary Session of the 11th CPC Central Committee could hardly be implemented. However, this problem was successfully resolved during party rectification.

Wan Shaofen, secretary of the Jiangxi provincial party committee; Jin Jian, deputy secretary of the Beijing municipal party committee; and Nei Ronggui, deputy secretary of the Sichuan provincial party committee, also cited tangible results achieved in party rectification to indicate that, after rectifying the party organizations for 3 years and a half, "the whole party has become more progressive than the prerectification period in terms of thinking, work style, and sense of discipline and organization," and that "achievements are what count." In the spirit of seeking truth from facts, the attendees listed the results and experiences gained in party rectification, candidly commented on the shortcomings and lessons learned from party rectification, and unanimously agreed that Bo Yibo's report is imbued with dialectical materialism and historical materialism because it has factually and appropriately acknowledged the achievements, solemnly pointed out defects, summed up experiences, and charted the future course. The attendees also aired their different views on amending the report.

During the discussion, the attendees were immensely inspired and encouraged by the fact that one half of Bo Yibo's report was dedicated to future party building and the five proposals for party building during the new period. Sun Wensheng, deputy head of Hunan's party rectification guidance group, said: "While it is a summary of party rectification, Bo Yibo's report is also an order mobilizing party members to build up the party during the new period, and it certainly will give powerful impetus to party construction." Attendees from central state organs and organs directly affiliated with the Central Committee unanimously agreed that Bo Yibo's five proposals are highly relevant and have guiding significance. Discussing what ought to be done, some comrades even used the five proposals as a yardstick to assess whether their own units' party building measures up to the requirements. They said: In party building, party rectification serves as a link connecting the past and the future. In terms of thinking, work style, discipline, and organization, the party still has many problems to resolve. In order to raise party building to an even higher level, efforts should be made so that short-term rectification will gradually be replaced by regular party building. By no means should we slacken our effort simply because party rectification has basically ended.

The attendees unanimously agreed that Zhao Ziyang's timely and important speech at the conference is of guiding significance, having charted the course and set forth the tasks of party building during the new period and providing the principles that must be followed in party building during the new period. While discussing Zhao Ziyang's speech, the attendees stressed these two requirements: First, that regular party building in the future undertake the basic task of ensuring the implementation of the lines adopted since the 3rd Plenary Session of the 11th CPC Central Committee; second, party building must guarantee these two basic needs -- upholding the four cardinal principles, and firmly adhering to the general principles and policies for reforms, opening to the outside world, and enlivening the domestic economy.

The attendees also maintained: The party must intensify and improve its ideological education, so that it can keep pace with the new situation characterized by reforms, opening to the outside world, and enlivening the domestic economy; and so that it can facilitate economic construction and reform, because only by doing this can party building reach a higher level. Many comrades also heatedly discussed how to improve ideological education. They said that ideological education must give prominence to basic Marxist theories, communist ideals, and the laws of social development. They also presented certain measures -- which have been proven to be effective during party rectification -- for carrying out ideological education.

For example, some comrades maintained that, to improve ideological education, package education should be replaced by education conducted at different levels for different types of people; education with invisible means should be replaced by education with visible results; generalized sermons should be replaced by vivid, direct education employing positive and negative examples; and expedient, crash education should be replaced by regular, and gradually progressive education, so that education can genuinely reside in construction and reform.

FOREST FIRES REKINDLE IN NEI MONGGOL, HEILONGJIANG

OW011446 Beijing XINHUA in English 1424 GMT 1 Jun 87

[Text] Hohhot, June 1 (XINHUA) -- Eight fires were discovered by air spotters in the Dayangshu Forestry Bureau in Inner Mongolia yesterday evening. They are spreading rapidly toward the north and west.

Officials at the fire-fighting headquarters are sending forest rangers to the area by plane to protect virgin forests in the area.

The officials said the area will have rain tonight and tomorrow, and that is expected to help contain the fires that had been brought under control yesterday afternoon but rekindled later.

Fires have also reportedly revived in a few places in the east and west fire zones in the Da Hinggan area in Heilongjiang Province, where a huge blaze raged out of control until just recently, said officials. They added that firefighters have been rushed to the spots.

In another development, some 200 forest rangers are keeping a close watch over a forest fire in the Soviet Union that threatens to cross the border into Inner Mongolia. They will be reinforced tomorrow, said officials.

XI ZHONGXUN ATTENDS CHILDREN'S DAY GATHERING

OW011230 Beijing XINHUA in English 1209 GMT 1 Jun 87

[Excerpt] Beijing, June 1 (XINHUA) -- Today 50,000 Chinese and foreign children in Beijing gathered in the Great Hall of the People to celebrate International Children's Day.

The Great Hall turned into a children's paradise with entertainment and acrobatic performances, gymnastic and martial arts exercises, films and various recreational activities.

At the gate of the Great Hall children were welcomed by drums and bugles played by a band of Young Pioneers. A banner hanging above the entrance read both in Chinese and English, "Happy Holiday to the Children".

Communist Party and state leaders including Xi Zhongxun, Wang Shoudao, Xiao Ke, Wang Renzhong and Ngapoi Ngawang Jigme came to help the children celebrate. [passage omitted]

JINGJI RIBAO CRITICIZES CRITICS OF ECONOMIC REFORM

HK180331 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0305 GMT 18 May 87

[Text] Beijing, 18 May (ZHONGGUO XINWEN SHE) -- A commentator's article in today's JINGJI RIBAO says that reform is the only way to invigorate China's economy. The article appeals to people to deepen their understanding of reform.

The article says, where is the way out for invigorating China's economy? Long exploration has shown that China's history and national condition do not permit following the capitalist road, and still less the road of semi-feudalism and semi-colonialism; we can only reach our goal by bringing into full play the superiority of the socialist system.

The article says that long exploration has also been carried out on the question of how to bring into play the superiority of the socialist system. Only at the 3d Plenary Session of the 11th CPC Central Committee was an answer found to the problem of slow development of socialist economy: The reason for the prolonged stagnation in China's economy lay not in the socialist system but in the irrational economic management system. Reform is the way to invigorate China's economy; there is no other way out.

The article points out that at present some people still have muddled ideas regarding reform. Some people's minds are still controlled by outdated, conservative [baoshou 0202 1343], and stagnant viewpoints; when they encounter some hitches in carrying out the reform measures, or when certain reforms touch on their own interests, they always want to go back to the old road, feeling that "things were better before," and even become suspicious regarding the socialist nature of the reforms, and are overcritical of the existing policies, viewing them as bourgeois liberalization.

The article says that the reforms are still constrained by a variety of endurance factors, such as finances, material, and people's psychological endurance. The state carefully considers what can be endured when formulating its principles and measures. As citizens, we too have the responsibility to endure certain sacrifices and to boost our endurance, especially our psychological endurance, to ensure that the reforms can proceed smoothly.

ECONOMISTS SEE REFORM AS TWO STEPS FORWARD, ONE BACK

HK010346 Hong Kong MING PAO in Chinese 1 Jun 87 p 13

["Special Dispatch" from reporter Chiu Chun: "Social Science Academy Report Points Out China's Economy Is Unstable, Reform Is Two Steps Forward, One Step Backward"]

[Text] Beijing, 31 May -- Some Chinese economists recently pointed out that China's economic structural reforms, which began in 1979, are always a case of taking two steps forward and one step backward. They hold that the main reason for this situation is that the economic structural reforms carried out over the past 8 years have always been conducted against a background of imbalance between total supply and demand and of lack of spaciousness and relaxation in the economic environment. With economic structural reforms being carried out amid economic instability and all kinds of frictions generated between the new and the old systems, a chain of mutual cause and effect will be created, resulting in the reforms being as long drawn-out process.

This is an important viewpoint advanced by the Chinese Academy of Social Sciences in a report entitled "Thoughts on Economic Construction and Economic Reforms in Recent Years."

The well-known economist Liu Guoguang, vice president of the academy, who was in charge of this research, cited examples: The price reform some time ago was carried out when national income exceeded distribution and there was an oversupply of currency in circulation. Hence, although on the one hand there was some improvement in the irrationalities of the price structure, on the other hand, the excessive price rises caused by excessive demand could not but in turn hamper the further rationalization of the price structure.

Liu Guoguang said: Reform needs an environment of spaciousness and relaxation, yet such an environment can only be the result of reform. This is a contradiction. This contradiction has consistently caused difficulties for Chinese economists in the past 8 years. It is a fact that extremely great skill is needed to handle this contradiction.

The report pointed out that another difficult issue facing China's economic structural reform is the problem of universally poor economic results has not been genuinely resolved. The average annual growth in national income has been very rapid in recent years, but the profits and taxes on industrial output value have continually declined, and are now only two-thirds of the highest levels recorded.

The report says that the way to resolve this problem lies in deepening enterprise reforms and unswervingly placing enterprise reforms in the center of the stage of the entire economic structural reform. At the same time the basic line of thinking regarding enterprise reform should be shifted from delegating powers and transferring interests to separating ownership and operating powers.

The report says that the experiences of China's enterprise reform in recent years show that the enterprises are given a certain degree of decisionmaking power if reforms are started by delegating powers and transferring interests, but if we continue to follow this line of thought in carrying out enterprise reform, we can only solve the problem of redistribution of interests and cannot change the enterprises' operational mechanism. Moreover, the seed of withdrawing powers is concealed in the transfer of powers.

The report suggests continued exploration and experiments in the joint stock system. It terms this system "a method of separating ownership from operational powers, which will help to develop various forms of links and raise capital from various sectors. It is an organizational form suited to the demand of socializing production."

RENMIN RIBAO DISCUSSES PRC GRAIN PRODUCTION

HK201441 Beijing RENMIN RIBAO in Chinese 18 May 87 p 5

[Article by Guo Yuhuai (6753 5940 2037): "Several Opinions on the Grain Problem"]

[Text] The problem of grain is an important issue that has a bearing on the national economy and the people's livelihood and is of basic significance to the development of the national economy. It is highly necessary and completely possible to strive for a bigger increase in grain production.

At present agricultural production in China is still at the mercy of natural conditions. There are always rises and falls in grain production in different harvest years. Nevertheless, striving for a sustained and steady growth of grain production is a strategic task to guarantee the steady improvement of the people's living standards and social stability and to guarantee the smooth progress of the whole reform and the overall development of the national economy. Therefore, it is necessary to mobilize all forces to make every possible effort to do a good job in grain production. Accomplishing this arduous task calls for a lot of effort.

In boosting grain production for this year, we have quite a lot of favorable conditions: 1) Rural reforms are deepening and after undergoing a process of enrichment, consolidation, coordination, and improvement, the new structure is becoming more perfect day by day and the agricultural productive forces are bound to develop further. 2) Grain prices are remaining high on the market this year, and this state of affairs is being positively received by the peasants. 3) The amount of grain purchased by the state according to contracts has been appropriately reduced and that purchased at negotiated prices increased. Hence, there is an improvement in grain circulation and the peasants have come to see the real prospects of "selling grain at higher prices while output is increased." 4) Having been readjusted, the rural economic structure has gradually become rational and the acreage of land sown in grain crops can hopefully be stabilized without making fairly large-scale changes in the farming industry structure. 5) The leadership at various levels has attached great importance to grain production and funds and material inputs will increase correspondingly. 6) Scientific and technological services have been further strengthened. Of course, whether these favorable conditions can be brought into full play depends on our specific policies and work, in particular, on whether grain has been linked with chemical fertilizers, diesel oil, and down payments for purchases in advance, and on the secured supplies of the agricultural means of production and of inputs in newly added funds, materials, and technology. These problems should be solved in real earnest.

Grain is no ordinary commodity. Only when the state is assured of a steady amount of grain in its hands can social and economic stability be ensured. For historical reasons, the exchange of grain at equal value between the state and farmers will still undergo a relatively long process before it fully materializes. The coexistence of the systems of purchasing grain according to contracts and of purchasing grain on the market at negotiated prices should be maintained for a fairly long time. This is the basic thinking for solving the problem of grain in light of our country's actual conditions. It must be noticed that the "double-track system" principle of "consolidating one aspect while invigorating the other" is a necessity.

To resolve the grain problem, aside from gaining more momentum for continued grain development and increasing production, under normal circumstances, we should also reduce the amount of grain purchased at government prices and increase the portion of grain purchased at negotiated prices year by year; slightly raise the prices for grain under fixed state purchases and the supply of materials linked to the production of grain under the contracts every year; and gradually reduce the amount of grain sold at government prices year after year and gradually increase the portion of grain sold at negotiated prices.

One problem that merits attention at present is properly handling the relations between predominantly grain-producing areas and areas in which grain production is not predominant. As seen from the materials at hand, grain production in the above two types of areas is closely related. [paragraph continues]

In other words, the less the grain output in the areas in which grain production is not predominant, the heavier the burden on the predominantly grain-producing areas will be. Conversely, the more the grain output in the areas in which grain production is not predominant, the lighter the burden on the predominantly grain-producing areas will be. To lighten the pressure and burden on the predominantly grain-producing areas, it is necessary to help more of the lower-producing areas to become self-sufficient in grain. In the last few years there have been two noticeable tendencies. One is the drastic increase in urban grain consumption and the other is that the transfer of grain to the areas in which grain production is not predominant increased year by year. The fundamental reason for this state of affairs is that the costs of grain transfers were so low that the areas which brought grain from other parts of the country paid no penalty in regard to price difference and consequently, they lacked any internal motivating force to increase their capability of supporting themselves in grain and became more and more dependent on grain shipped in from other areas.

At present, while upholding the principle of never relaxing our efforts to produce grain and actively developing a diversified economy, it is necessary to work out some policies to limit and reduce the transfer of grain to areas in which grain production is not predominant in the light of their actual conditions, to actively guide the farmers there in enhancing their capability to support themselves in grain by increasing inputs for grain production. Of course, as far as mountainous areas are concerned, there is a problem of how cultivated land should be protected, including terraced fields and hillside fields. In discussing returning cultivated land to planting trees and grass for the development of forestry and animal husbandry, first consideration should be given to the problems of feeding the people. Therefore, the general principle guiding our policies on the transfer of grain must be rewarding the transfer of grain to other areas and restricting the transfer of grain from other areas or encouraging the transfer of grain to other areas, controlling the transfer of grain from other areas, and limiting grain sales. This will help protect the enthusiasm of farmers in the predominantly grain-producing areas for grain production, help the areas in which grain production is not predominant to buy less grain from outside areas, and will promote grain production in various localities to develop in a basically balanced way.

RENMIN RIBAO PREDICTS GOOD GRAIN HARVEST

HK291123 Beijing RENMIN RIBAO in Chinese 27 May 87 p 2

[Roundup by RENMIN RIBAO reporter Jiang Yaping (5592 0068 1627): "Prospects For This Year's Grain Production Are Bright, Further Efforts Are Needed To Reap Harvest" -- capitalized passages published in boldface]

[Text] Since the grain full [agricultural time period] has passed, the summer harvest time is approaching. How is the overall grain production situation? Is it possible for China to reap a good harvest of summer grain crops? How will the autumn grain production be carried out? According to the information our reporters have obtained from the relevant departments, I have made the following roundup of the grain production situation:

THANKS TO THE EFFORTS MADE BY ALL THE RELEVANT DEPARTMENTS, MOST OF THE PROVINCES AND REGIONS IN THE WHOLE COUNTRY ARE NOW EXPECTED TO REAP A GOOD SUMMER GRAIN HARVEST.

China saw a big drop in its grain production output in 1985. Although China reaped a better grain harvest in 1986 compared with 1985, China's 1986's grain harvest did not reach the standard of 1984, which was a record year for grain production. As a result, the grain production situation has caused wide concern in the whole society. The 1986 work of autumn sowing and winter sowing was hurriedly carried out under such circumstances and has now created relatively good momentum which is characterized by a big increase in the use of fertilizer, the expansion of the growing area of improved grain varieties, the improvement of the quality of autumn sowing and winter sowing, the strengthening of field management, and the good growth of seedlings. Some grain growing regions in southern China, which "have always paid more attention to autumn grain production than the summer grain production," have now begun to make greater efforts to strengthen their summer grain production. All these things have laid a solid foundation for China to reap a good summer grain harvest this year.

However, because of the bad weather, our country suffered more natural disasters in winter of last year and in spring of this year compared with the year 1984. In February, the State Council issued a urgent notice calling for strengthening the wheat-field management. During the second 10 days of March, the relevant departments of the state held a national telephone meeting to make arrangements for fighting the drought and strengthening the management of spring ploughing and spring sowing. The goods and materials for fighting the drought were quickly delivered to the areas concerned. All the province, cities, and autonomous regions also made active efforts to fight against the natural disasters and protected the wheat seedlings. Henan, Shandong, Hebei, Shaanxi, Gansu, and other provinces which suffered from the drought also actively organized peasants to water the wheat fields, increase the topsoil applications, upgrade the weak seedlings, and reduce the death rate of the weak plants. Anhui, Jiangsu, Zhejiang, Fujian, Shanghai, Hubei, and other provinces which suffered freeze damages and flooding also adopted measures to strengthen field management so that the wheat seedlings in those provinces rapidly recovered. At present, according to the latest information provided by the relevant departments, if no big natural disasters or plant diseases or insect pests occur within the next half a month, so long as the later-stage wheat-field management, wheat harvesting, and wheat storing work is practically carried out, most of the provinces and regions of our country are expected to reap a good harvest of summer crops.

AT PRESENT, THE AUTUMN CROPS SITUATION IS GOOD. IF PROPER MEASURES ARE TAKEN, THIS YEAR, CHINA WILL BE ABLE TO REAP A BETTER HARVEST OF SUMMER CROPS THAN LAST YEAR. As far as this year's situation is concerned, even if China reaps a good summer grain harvest, the heavy burden of increasing the grain output by 15 billion kilograms will still be put on the autumn grain production.

Will China be able to reap a good autumn grain harvest as expected? According to the prudent analysis carried out by the relevant departments, the present situation appears to be good. According to the preliminary estimates, this year's autumn grain growing area will increase by more than six million mu compared with that in the year 1986. If calculated according to the common average yield per unit area, which is 220 kilograms, the autumn grain output will increase by more than 1.3 billion kilograms.

Because the central authorities have implemented a series of preferential policies towards grain production, and the various regions have provided more funds and technology, grain production has greatly advanced. [paragraph continues]

For example, Hunan Province has allocated 6.7 million yuan for improving the technologies needed for grain production; Hebei Province has allocated loans of 0.126 billion yuan at a reduced interest rate for the construction of the water conservancy works in the province; Jiangxi Province has actively imported chemical fertilizer. The production output of hybrid rice in the rice growing areas in southern China has increased by more than 20 million mu compared with the last year. The hybrid maize growing area in the whole country has increased by more than 25 million mu. Therefore, the relevant departments believe that there are good conditions to increase the grain output this year. So long as there are no serious natural disasters this year, the task of increasing the grain output by 15 million kilograms will certainly be accomplished.

A PRESSING MATTER OF THE MOMENT IS TO ELIMINATE NEGATIVE FACTORS, FURTHER IMPLEMENT THE PREFERENTIAL POLICIES TOWARDS GRAIN PRODUCTION, ACTIVELY FIND WAYS TO SOLVE THE PROBLEM OF THE SHORT SUPPLY OF THE MEANS OF THE AGRICULTURAL PRODUCTION, AND ENSURE A GOOD HARVEST OF AUTUMN CROPS THIS YEAR. The hidden threat to this year's good harvest of summer crops is the possible arrival of overcast and rainy weather. According to the weather forecast of the state meteorological bureau, there will probably be floods in the Huanghai Sea and the Huaihai region, the middle and lower reaches of the Changjiang River, and the Heilongjiang region in June of this year. Among the three regions, the Huanghai Sea and Huaihai region has nearly 0.3 billion mu of summer grain growing area. So, if the Huanghai Sea and Huaihai region cannot stand the natural disasters caused by the floods and the overcast and rainy weather, it will be impossible for the region to reap a good harvest of summer crops.

The failure to implement preferential policies towards grain production and the short supply of the means of agricultural production are the main restrictive factors in the autumn grain production. While implementing the "three-link" preferential policy for grain production, some areas have had problems such as "running, emitting, dripping, and leaking" and problems like embezzling and retaining part of the profits which should belong to the peasants. Some areas have simply altered the contents of the "three-link" preferential policy towards grain production according to their own will and have thus seriously dampened the peasants' enthusiasm in growing grain. Moreover, what should be immediately dealt with is the problem of the short supply of the means of agricultural production and price-hikes. According to statistics, in 1987, Heilongjiang Province, Shandong Province, Henan Province, and 13 other provinces, cities, and autonomous regions lacked 10.95 million tons of chemical fertilizer, the amount of which accounted for 21 percent of the total amount of the chemical fertilizer needed for agricultural production in those areas. There has also been a serious shortage of diesel oil and plastic sheeting. Ignoring the relevant regulations, some units and individuals have been engaged in speculation which has resulted in abnormal price-hikes from which those units and individuals have gained huge profits.

According to the report from Liaoning Province, the actual benefits the peasants got from the state's grain price readjustment have been offset by abnormal price-hikes. At present, in Hunan Province, the prices of carbonic ammonia and carbamide that is outside the state plan have gone up by over 15 percent compared with the last year, and the price of plastic sheeting has gone up more rapidly. In Shaanxi Province, because of the lack of plastic sheeting, only one fifth of the province's plan to promote the plastic sheeting-maize has so far been fulfilled.

XINJIANG LEADER STRESSES POLITICAL, LEGAL WORK

HK300329 Urumqi Xinjiang Regional Service in Mandarin 1200 GMT 29 May 87

[Excerpt] This afternoon Comrade Song Hanliang spoke at the regional forum on political and legal work, expressing the hope that the comrades on the political and legal front will remain vigilant in peacetime, view the shortcomings as well as the achievements, work hard, raise the standard of work to a new level, and achieve a sustained and steady improvement in social order in the region. [passage omitted]

Song Hanliang said: At present social order is still facing an extremely complex situation and all kinds of challenges. The regional party committee is very concerned for continued improvement in the region's social order and attaches very great importance to this. Hence, I want to make a particular point of reminding you comrades to pay great attention to this question and take effective measures in dealing with it.

Song Hanliang particularly stressed that it is essential to clearly understand the importance of political and legal work in the new period. It is necessary to launch in depth the struggle to crack down on serious economic and other crimes, and handle more major and important cases. It is essential to mobilize the forces of all sectors to strengthen the comprehensive handling of social order issues. It is essential to strengthen the building of the political and legal contingent and improve political and legal work in the production and construction corps. [passage omitted]

Song Hanliang said: The party committees at all levels must seriously grasp political and legal work in the same way as they grasp economic construction. They must strengthen leadership over political and legal work. This is mainly ideological and political leadership, and leadership regarding principles and policies. [passage omitted]

MACAO

GOVERNOR'S RESIGNATION REPORTEDLY ACCEPTED

HK020646 Hong Kong AFP in English 0635 GMT 2 Jun 87

[Text] Macao, June 2 (AFP) -- Portugal's President Mario Soares has accepted the resignation of Macao Governor Joaquim Pinto Machado, Radio Macao reported Tuesday.

The radio said Mr Soares had informed Mr Pinto Machado and the president of Macao's Legislative Assembly Carlos Assumpcao that the governor's resignation had been accepted.

Mr Soares will decide within the next few days whether to nominate Secretary for the Economy Carlos Monjardino as acting governor or begin consultations to find a new governor, the radio said.

Mr Pinto Machado announced his resignation on Saturday saying he was stepping down for "reasons of institutional dignity."

Observers said Mr Pinto Machado had been close to Mr Soares but had drawn away from him recently.

They said the governor's resignation could be linked to that on Friday of his spokesman Nuno Delerue who is returning to Portugal to stand for parliament as a Social Democrat.

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DATE FILMED

3 June 1987

